THE MIDDLE EAST: DANGER SPOT?

EUROPEAN REDS, U. S. RED HUNTERS

The Reporter

October 10, 1950

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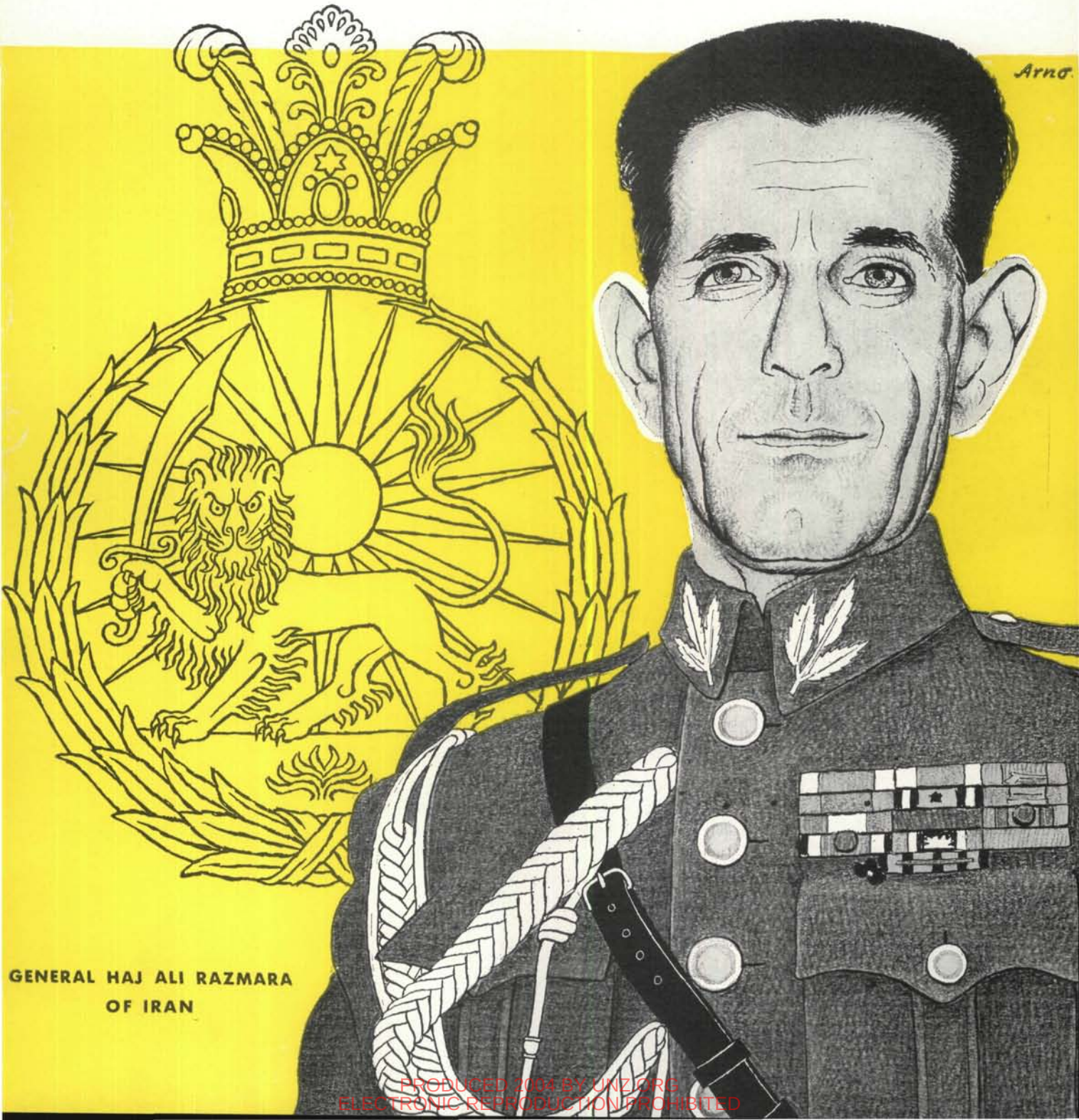

GENERAL HAJ ALI RAZMARA
OF IRAN

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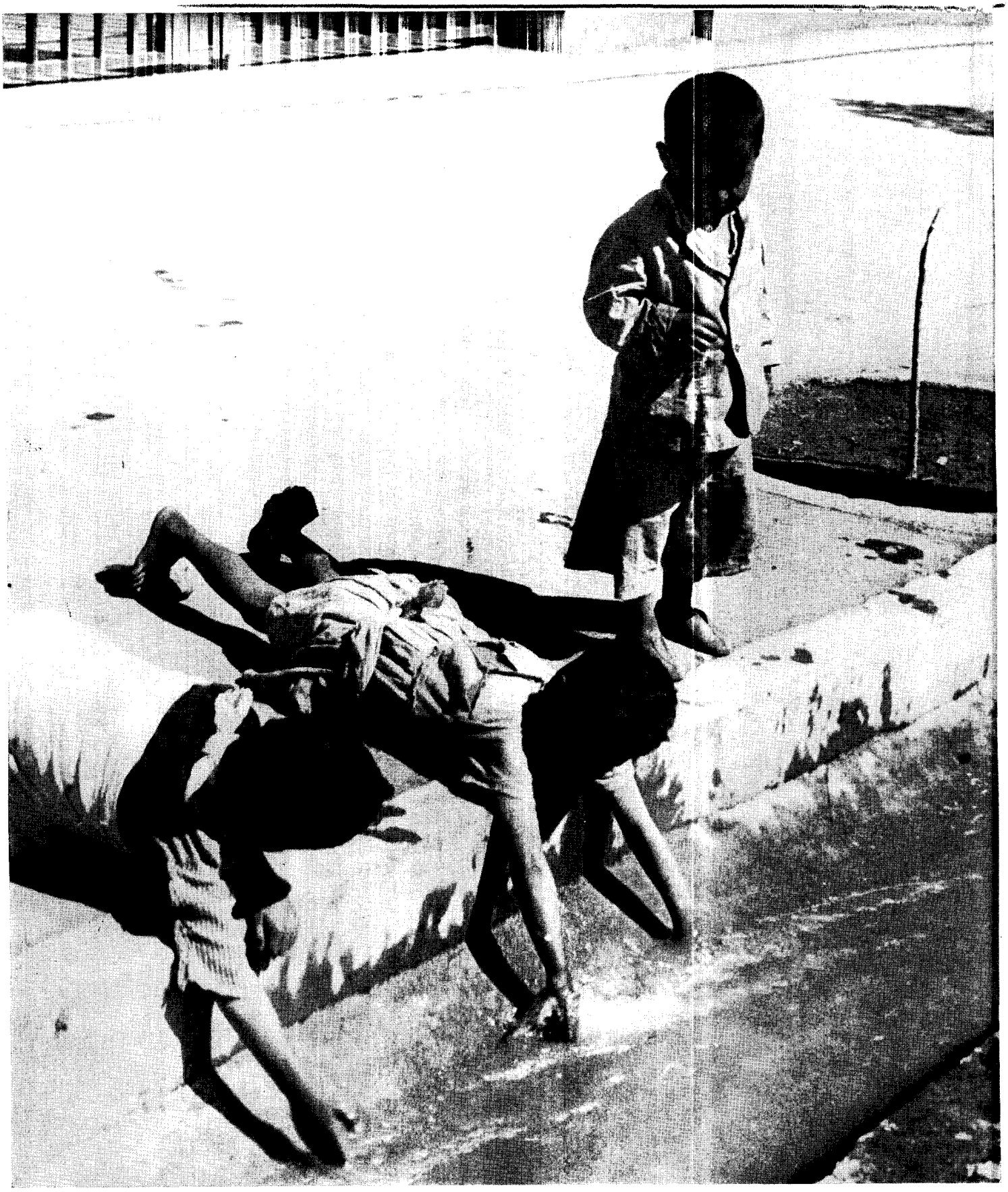

Children playing in the joob—the oversized gutter that carries the common water supply of Teheran.

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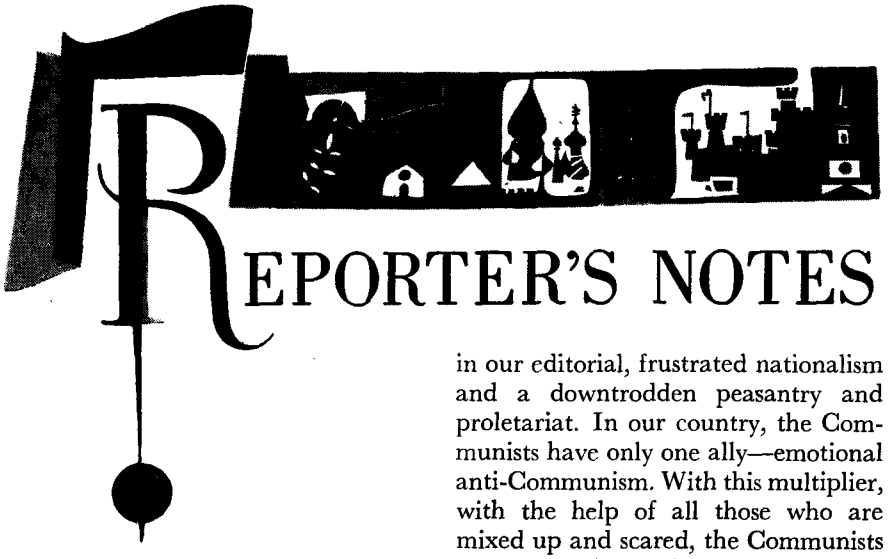

REPORTER'S NOTES

Off the Target

Those who fought for and those who fought against the McCarran anti-Communist bill in Congress seem to share the belief that the immediate aim of the American Communist Party is to overthrow the government of the United States. On this point, we are afraid, both sides are wrong. Much as they would love to stir up a revolution, the American Communists know they haven't a ghost of a chance. The role assigned to them by Moscow is not to give our country new laws but to discredit the ones we have. Their objective is not revolution but anarchy.

The best evidence can be found in the trial of the eleven Communist leaders. The leaders themselves and their lawyers spared no effort to question the fairness of the jury system and make a mockery of it. The patience of the jurors was stretched beyond the point of endurance; the judge was the object of merciless provocation and physical threats day in and day out for nine months. The courtroom was turned into a soapbox. At the end the eleven men were presented to their sympathizers all over the world as martyrs of free thought. The Communists did not want a trial at law; they wanted to put our legal system on trial.

What is called the American Communist Party is actually a pressure group—an irritant deliberately used to upset the nervous system of the nation. Unlike other Communist Parties, it hasn't the traditional raw materials to work on—which are, as we point out in our editorial, frustrated nationalism and a downtrodden peasantry and proletariat. In our country, the Communists have only one ally—emotional anti-Communism. With this multiplier, with the help of all those who are mixed up and scared, the Communists can create the confusion and lawlessness that are their aims. Things can go so far, passions can be aroused to such a pitch, that sometimes even the regular pursuit of justice, the trial of men accused of treason, can take on the character of a nation-wide lynch party.

We have no Communist problem in our country: We have the Communists, several thousands of them, to deal with and take care of. We should be able to discriminate between the harmless and the vicious ones. Against the latter our government should be as hard as the Constitution allows, but above all they should be dealt with one by one, clinically, with as little benefit of spotlight as possible.

Now the new law has been passed, over the President's objections, and the stage set. The Communists will eagerly march to court and hold out their wrists for the handcuffs. The photographers, the radio people, the reporters are ready, and self-appointed defenders of public order will exert their relentless pressure so that expendable Communists, innocent people, or just marginal characters may play the role of heroic martyrs.

For a long time our agencies of law enforcement will not know whether or not the new law is Constitutional. Yet somehow, even in this legal twilight, the law will operate. Congress, by an overwhelming majority, has declared the season open. Citizens will live in fear of the vengeance or the machinations of other citizens. Anarchy has been enacted by due process of law. It is just about what Moscow wanted—no more.

Protocol

Governor Dewey doesn't like Mr. Vishinsky's looks. Who does? Yet unless we go to war with Russia, something that the governor himself doesn't seem to advocate, we are going to have plenty of Vishinskys in our midst, in the city of New York, which for better or worse is the capital of the United Nations. In a style all his own, he told some dinner guests exactly what he thought of them, and how nice it would be not to have them around.

In our great anti-Communist passion these days, people sometimes fail to appreciate the demands of diplomatic niceties and ceremonials. Not long ago thousands of citizens protested to Dean Acheson because they did not like to see pictures of him shaking hands with Vishinsky. Now that the governor has set the precedent, other people may be tempted to let Vishinsky know, with every means of communication at their disposal, what they think of him. Is the governor sure that he has set a good example?

Valhalla

Sometimes men in public life are exposed to unnecessary punishment by the press and radio—particularly when their speeches are quoted only partially. We came to this conclusion when we happened to read, rather belatedly, the famous Boston speech of Secretary Matthews. The key phrase, "instituting a war to compel cooperation for peace," made the headlines, of course, but one passage that we consider just as remarkable does not seem to have been widely quoted:

"We have become the custodians of the Holy Grail from which emanates the inspiration of the Magna Carta and the Declaration of Independence.

"We are the repository of the Ark of the Covenant, in which are enshrined the imperishable hopes of man to live in peace and freedom."

Secretary Matthews has singular stylistic gifts. In a single breath, he can range from Lohengrin to Thomas Jefferson to Moses. Briefly, he moves into the world of history and of ideas with a dexterity that can be compared only to the seamanship of a Kentucky admiral.

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Correspondence

Truman and Steelman

(Note: While The Reporter *does not usually publish anonymous lettters, the editors considered the following sufficiently pertinent and pointed to print.)*

To the Editor: I'm well aware that you can't use an anonymous letter. But since it's due to a real concern about editorial accuracy—and a great admiration for your magazine—you might read it and then pass it on to Douglass Cater. His previous articles have been fine, but the one in the September 12 issue makes one a little ill.

I have read even Tom Stokes talking about how Mr. Truman would avoid the Roosevelt error of piling war agency on war agency . . . although those acquainted with problems of the Second World War know that the same thing will happen again. But Mr. Cater gets even more naive when he talks about Truman warning Roosevelt in 1941 about appointing a defense-works "czar," etc. For his information, Mr. Truman did a lot of fumbling for a long time with his Senate committee, and its recommendations came from some staff men, without consultation with Truman, and from White House and other sources planted with the Truman committee. And if you want to see one of the ghastly errors the Truman committee tried to perpetrate, study the manpower estimates for Willow Run.

However, it is the solemn talk about Steelman which puts Cater into the sophomore class. Steelman has fumbled all his Washington career. In the 1946 emergency, as controls were jettisoned, Steelman suddenly was taken out of any position of power and replaced by Clark Clifford—two months before any newspaper writer pictured Clark as the new wonder boy. And since then he has been a handyman to all except reporters. I have more chance of being a future "czar" than Steelman. He succeeded Byrnes in OWMR only after all powers had been taken from that office—or, rather when almost all powers had been taken from it and the rest were at the discretion of men designated as his "assistants." Time and again, agency heads simply told Steelman to go to hell and walked to the White House.

Symington is a very different person, and so is Harriman. But the description of Harriman—and I might add Symington—is as naive as the picture of Steelman. It is true that many powers seem headed Sawyer's way, but that needs only the comment that Sawyer is not likely to wield great powers long.

Reading the article again, and being in a hurry, I'll just ask a couple of other questions to underline my points: What was John Snyder's connection with OWMR? Although Steelman was called the prize trouble shooter with labor at one time, how come he hasn't handled a real labor row at the White House for years? This gets a little silly, so I'll quit. Tell Mr. Cater that *The Reporter* has won a rather literate reading public, and to study up his government history a little more before tackling such an article again.

Washington

Puertorriqueños

To the Editor: M. R. Werner's "Puerto Ricans in New York," in the September 26 issue, served to broaden my perspective on a subject that is literally near to me. My block is in Manhattanville, on 124th Street just east (i.e., the wrong side of) Broadway. Every day I fight my way up the hill through knots of Puerto Rican adults and swarms of their offspring. The adults speak a staccato Spanish in which, thanks to seven years' instruction in the language, I can recognize an occasional *porque, dinero,* and *si;* as for the children, they seem perfectly bilingual, speaking New York English among themselves because it is the mother tongue of many of their playmates or fellow gamesters. Mr. Werner's figure of just somewhat more than twenty-five thousand Puerto Ricans arriving in New York each year surprised me; a dozen or so blocks like mine should account for a good percentage of this number.

I suspect that "my" Puerto Ricans have more push than the average or have been through other New York proving grounds. Anyway, they do not seem to "live a timid, restricted life," nor are they "overwhelmed" by a lack of English. Also, they seem moderately prosperous, at least for 124th Street. Of the cars parked bumper to bumper there, many are owned, or at least are being paid for, by Puerto Ricans. These range from an audibly exhaust-ed 1932 Essex boldly inscribed *"P.R. libre,"* shared by five enthusiastic youths, to the 1949 Pontiac my 1936 Lafayette rolled into last year.

Their love of music is noteworthy. Here they do not seem to assimilate other tastes but are loyal to the maracas-and-one-note school. Nearly every Puerto Rican family seems to have a phonograph attachment to play records of this type when they are not being broadcast. There is also more "live" music among them than with other New Yorkers of my acquaintance. Once there was an exciting jam session across the street: strongly accented piano music, but executed masterfully; girls with maracas, castanets, and shawl to accentuate hip movements; lusty *"babaloos"* and similar cries from both men and women; and a small boy jumping in and out of bed until the party broke up at five-thirty.

My new neighbors' lack of race consciousness is striking. They range from blond to a generally aquiline black, but they all identify themselves as Puerto Ricans, and there is no self-consciousness in the pairing of people of contrasting pigmentation. I suspect that few of them are likely to be "overwhelmed" for long in their new environment.

S. L. SLADE
New York City

Contributors

William Gibson Dildine, of the Cleveland *Plain Dealer,* is now traveling in the Middle East. . . . Isaac Deutscher writes frequently for *The Reporter.* . . . Herbert Rosinski is an authority on international politics and military affairs. . . . Kyril Kalinov, a former officer of the Soviet General Staff, fled to the West through Berlin. . . . Seaton Fairfield writes a Washington column for a number of Midwestern newspapers. . . . Hans H. Landsberg, an economist, was co-author of *American Agriculture, 1899-1939.* . . . Henri Marche is the pseudonym of a Frenchman who has had considerable experience in combating domestic Communism. . . . Hart Stilwell's latest book is *Campus Town.* . . . Leo Rosten combines the vocations of humorist and social scientist, and is the author of *Hollywood: The Movie Colony—The Movie Makers.* . . . Cover by Arno; photographs from Black Star and Wide World.

The Editors

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The Reporter: Published every other Tuesday by Fortnightly Publishing Company, Washington & South Avenues, Dunellen, N. J. All rights reserved under Pan American Copyright Convention. Entered as second class matter January 27, 1950, at Post Office of Dunellen, N. J., under the Act of March 3, 1879. Copyright 1950 by Fortnightly Publishing Company. Subscription price, United States, Canada, U. S. Possessions, and Pan American Postal Union: One year $5; Two years $8; Three years $10. All other countries: One year $6; Two years $10; Three years $13. Please give four weeks' notice when changing your address, giving old and new addresses. Editorial and Advertising Offices, 220 East 42nd Street, New York 17, N. Y.

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Editorial

The Dismal Summer

It can be said now: Last summer the morale of the nation hit an all-time low. For weeks after the Korean invasion, too many Americans were whispering a question that nobody dared raise aloud: How come they don't attack us now? Now, while we are so woefully unprepared, while our allies are still so insecure and frightened? How can they give us these years—from two to five—to build up our strength? Many people felt they were living on time borrowed, one day after another, from Joseph Stalin's inscrutable timetable. The implication was that the all-powerful dictator of enslaved people was the freest of men, who had our national as well as our personal destinies at his mercy.

Yet even while people over here were indulging in this orgy of self-abasement, our power was one of the paramount items in the calculations of the Kremlin's autocrat. He could not forget that a war launched on America and America's allies would be an extremely dangerous, drawn-out affair. International Communism wants to conquer the world, but it can hardly risk starting a war of world conquest. Even in peacetime, it imposes too many arbitrary demands on its people; it cannot lightly subject them to the strain and horror of an arbitrarily provoked war. The Communist leaders may have decided they need total war, but for the war they need somebody else has to do the mongering.

During the last war, mass desertions from the Red Army came to an end when Russian soldiers were made to believe that they were fighting for their own country. They had not covered themselves with glory when they invaded Finland. It took a blend of nationalism and Communism to make the Russian masses stand up to the test of war, and it took a man like Hitler, with his murderous hatred of the Russian people, to produce this blend. Marxist Communism—that weird, pedantic ideology—can never arouse the people unless it allies itself with elemental human passions like the hunger of the peasants for land, the resentment of the workers against raw industrialism, and, above all, every man's love for his own country.

To achieve its imperialistic conquest of the world, Communism has to convince the people it controls that they are fighting patriotic, defensive wars—or wars of national unification. To stay in power, the Communist leaders have to keep their nations under an ever-increasing weight of armament, and, to justify this armament, they must keep their people under the constant fear of outside aggression and isolate them from the outside world. Occasionally, some Americans in high positions comply with Stalin's fondest wishes by sounding the clarion for a preventive war.

The Korean Case

Russia's behavior in Korea, before and during the invasion, offers some evidence of the role that war has in the Soviet plan of conquest. The article by a former Soviet officer that is concluded in this issue of *The Reporter* throws important light on this point. After Korea was partitioned, we gave our Koreans enough weapons to track down the Communists inside their temporary borders. The Russians gave their Koreans enough weapons to cross the border and eliminate anti-Communist forces from the peninsula—but not enough to precipitate a general war. We, as well as the Russians, knew that the Koreans on both sides of the parallel were passionately nationalistic and trigger-happy. We tried to repress the nationalism of the Korean leaders on our side, leaving the unification of the country to some distant future; the Russians fully sponsored the nationalistic aspirations of the North Koreans and gave them weapons to conquer the South.

Before and during the Korean War, we have had an unwritten, unspoken agreement with the Russians not to let a Korean conflict degenerate into a total war. Both we and the Russians made our miscalculations. We did not think they would sponsor a war of national unification; they did not think we and the United Nations would intervene in such a war. Yet it is amazing how both we and the Russians have stuck to our unspoken agreement.

As far as we are concerned, the unforgettable les-

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son to be derived from the Korean episode is that nationalism and Communism, if blended, are exceedingly difficult to fight. Successful as we have proved to be, the payment our soldiers have made in Korea should teach us not to let Communism monopolize nationalism if we can possibly help it. Let's remember the battle the North Koreans have put up before even dreaming of repeating on the Chinese mainland the experience we are going through on the Korean peninsula. Let's not forget either, now that the fortunes of war have turned to our side, that it is up to us and the U.N. to provide the Koreans with the national unity that they have been craving—a task we have inherited from the Russians, for it has turned out to be beyond Russia's resources, or willingness to use them.

Acheson's Great Day

The lesson of Korea would still be a completely negative one if we did not have a program, for ourselves and for the United Nations—a program that sets the long-range policies of the democracies and is aimed at peace.

Since September 20, we have had such a program. Secretary Acheson's opening speech before the General Assembly is one of the great papers of our foreign policy. It denounces the Communist plot of universal conquest with unmistakable clarity, and at the same time it refuses to give the Soviet leaders even a hint of what they most eagerly expect from us: the hope that some day they may succeed in goading us into starting a war. Obviously, we must rearm—we and our friends—for we are faced by a potential enemy whose mind is tortuous, whose conscience knows no scruples, and whose internal difficulties we have no way of gauging. But we are not going to be deterred from our task of building peace. We refuse to be driven just by hatred of Communism. We have a civilization to keep alive, not an ideology to try out.

Secretary Acheson's speech offers creative outlets for those elemental human passions that Communism always exploits and, in the end, betrays. The Communist attitude toward nationalism, land reform, and class conflict is always the same: It promises complete satisfaction to the craving of nations for independence, of peasants for land, of workers for power. Then it imposes unlimited subjection on every group whose hopes it has stirred up. Secretary Acheson suggests plans of land reform, economic improvement, and national independence to be carried out by citizens, not serfs; partners, not satellites.

A new system of international order is emerging in our days—one that offers countries everywhere a large measure of independence, and at the same time grants no nation or group of nations, no matter how strong or wealthy, unlimited sovereign power. It is shaping up as a system of interlocking alliances, of functional federations, and naturally there are pressures and frictions exactly at the points where new tissues are being formed. Thus Britain is at the same time in and out of the European alliance of nations, tied as she is to the Commonwealth and the bloc of English-speaking countries. In promoting the Schuman plan, the greatest and newest experiment in functional federalism, France is preparing the closest association with Germany, while she is deeply worried about all the possible implications of German rearmament.

Many of the interlocking agreements among European countries exist only on paper, but new machinery for synchronizing the actions of nations is constantly being created. The process is going on all over the world. The Atlantic alliance has far greater reality today than anybody could have dreamed a year ago. In the Pacific we can see the same trend beginning, now that India, Australia, and the Philippines have taken the initiative in mutual assistance and self-help.

Blocs of nations are coagulating—a process that both restricts and refines national sovereignties. New groups of nations are being established with powers adequate for their particular purposes, each moving with its own function within the orbit of the United Nations. At long last, we do not have to discuss the theory of containment, for now we have a many-pronged policy of containment in full swing—military, political, and economic. It discourages Russian aggression and subversion. It proceeds against Russia—and beyond Russia.

In this emerging system the United States furnishes the red corpuscles, the energy, that are needed for growth. It is not an imperial power nor an empire in the making. In fact, there are no precedents in history for the role the United States is now playing. In Secretary Acheson's picture of our present and future, we and the other nations on our side move according to our own concerted plans and schedule—not on time we borrow from Stalin. In fact, we can do the hard, necessary things that every day demands without bothering to see whether Vishinsky frowns or smiles. We are on our own now.

—MAX ASCOLI

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Iran: Trouble Spot On Russia's Border

A block from the Ritz Hotel in Teheran, the capital of Iran, beside the Avenue Shah Reza, which is broad and lined with trees, like a Paris boulevard, a man is sitting in the joob.

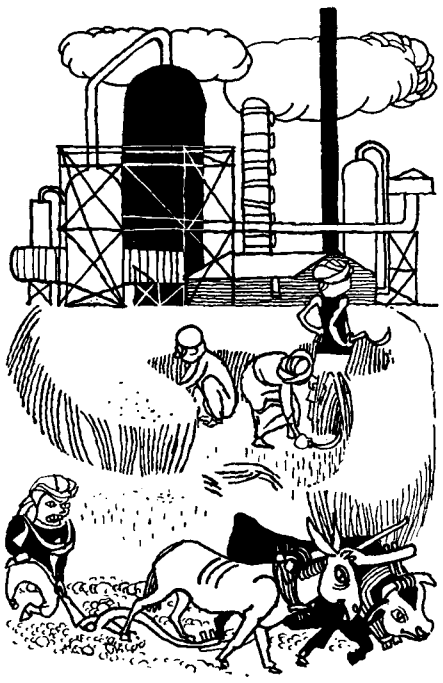
The joob is an oversized gutter, which carries the common water supply of Teheran. The man is bathing in water that has been used many times before. It will be used again. It has come from the mountains north of the city, through several villages, through part of Teheran, and it will flow on to serve the rest of the city's swollen population of some 850,000. The water will be used for washing carpets, donkeys, human bodies, and eating utensils. It will go into dough for baking bread, and it will be drunk by the thousands of residents who cannot afford well water. The water in the joob probably causes seventy per cent of the deaths in the city.

The man in the joob is not immodest. His upper body is covered by a pajama jacket, and the muddiness of the water hides the rest of him. His cotton trousers lie drying on a stone. He will put them on as he steps from the joob. Then he will be clean and ready for prayers.

A merchant, who might wash his automobile, even his silverware, but hardly himself, in joob water, rolls by in a Cadillac. He imports luxuries for other rich people to buy at inflated prices. When he is not in Paris or Switzerland, he lives in a large house with a garden, a swimming pool, and a corps of servants who are paid about ten dollars a month, plus meals. The merchant owns several mud villages, the fields surrounding them, and the labor of the people who work in the fields; the laborers are given two-fifths of what they are able to coax from the earth with wooden plows.

The man washing himself in the joob fled from one of these villages, driven by crop failures, near starvation, decimation of his flocks by disease and hard winters, and by the reduction of his acreage exacted by a greedy landlord under a medieval feudal system. If he is lucky he can find occasional work at sixty cents a day, in a city where jobs are scarce and the cost of living is high, to buy his family some sugar and tea to be drunk with bread baked in flat flaps like bathmats. Otherwise, he can beg on the streets until he is picked up by the police, hustled off to a camp, then returned to his village, where the cycle will begin again. Despite his poverty, the man in the joob has a world-wide political importance, of which he is unaware.

In a land where tigers occasionally devour children, people employ a respectful euphemism for that ravaging beast. So in Iran the Soviet Union is



"our great northern neighbor." An American wire-agency man who once referred to "the Russian Bear" received an official complaint.

Just now the Bear is being very neighborly. A well-publicized movement has been launched to promote the "Stockholm Peace Appeal." Its mouthpiece is Malek-o-Shoara (Chief of the Poets) Bahar, elderly author of odes on Soviet-Iranian friendship, once Minister of Education. An attractive offer to resume Russo-Iranian trade, virtually nonexistent since Red Army troops moved out in 1946, has been made by Soviet Ambassador Ivan V. Sadchikov.

Ever since January, when Shah Mohammed Reza Pahlevi returned from America empty-handed, American prestige in Iran has been declining, and the Soviet trade offers have been cordially received. The geographical isolation that made Iran useful for supplying the Soviet Union with American arms during the last war would make Iran one of the most difficult areas in the world to defend in the event of a general conflict. Knowing this, Iranians of all political shadings are anxious to build up friendship with the Soviet Union. The U.S. is far away; the U.S.S.R. is near. Any United Nations reverses in Korea serve to aggravate these fears. A large pro-Soviet cheering section in the Teheran press is taking full advantage of the decline in American prestige, and imprisoned members of the outlawed pro-Red Tudeh Party are jubilantly telling their guards that Iran will be next after Korea.

Such speculations bring no war jitters to the man bathing in the joob beside Avenue Shah Reza in Teheran, to the camel drover of the Kavir Desert, to the Azerbaijani sharecropper, to the

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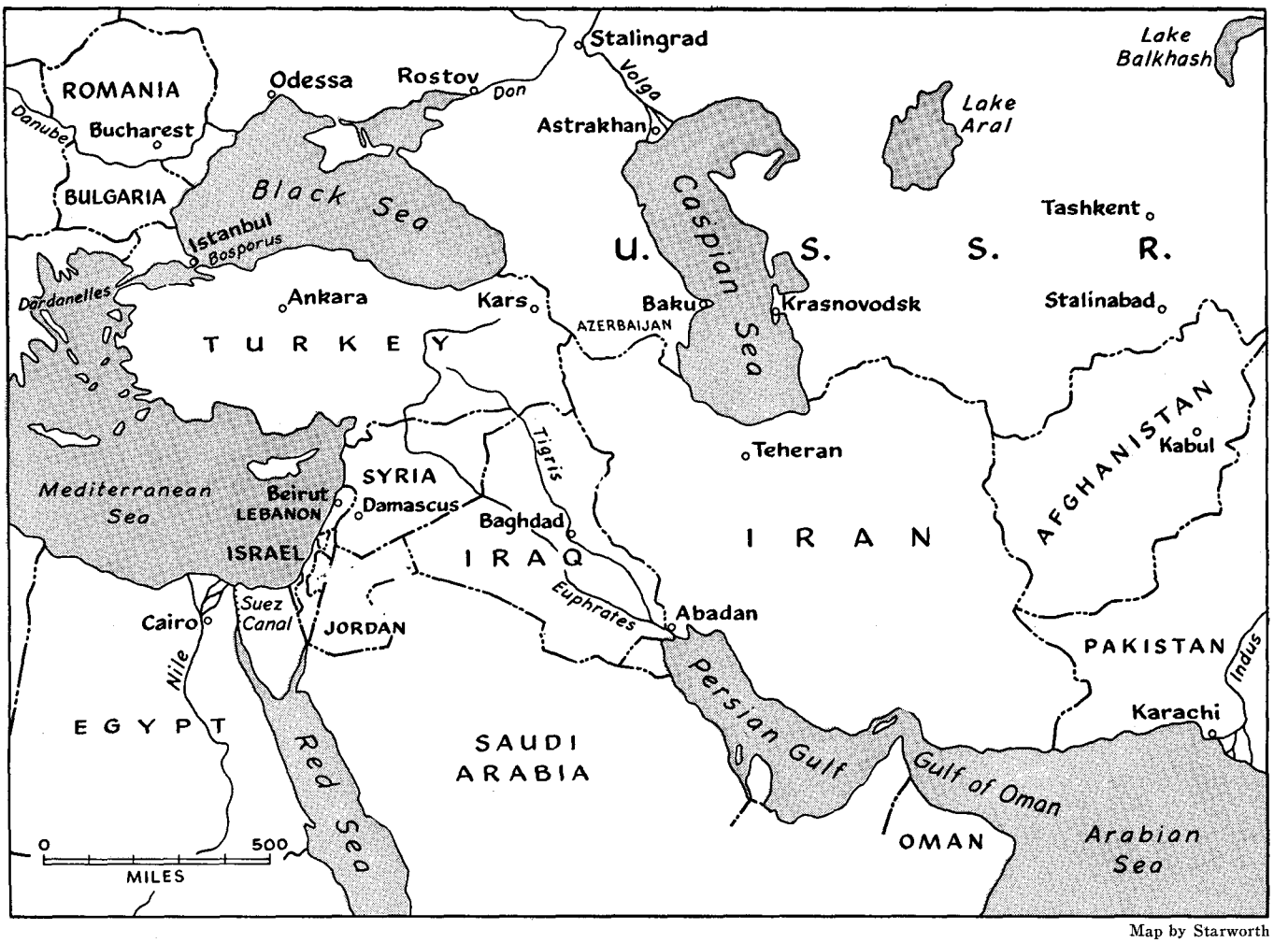

Map by Starworth

Where poverty and feudalism invite Soviet aggression: the Middle East

Arab boatman on the Persian Gulf, to the Gilani in his rice paddy on the Caspian shore, or to the Qashqai tribesman, out with his gun on the mountain while his wife and children tend the flock. They live much as they would have lived a thousand years ago.

Iran's army, though determined and efficient, is small. Most of its people are miserably poor, illiterate, fed up with vague promises, and ready to serve any authority that can offer the immediate prospect of a full stomach.

Iran offers a temptation which must make mouths in the Kremlin water. Around the head of the Persian Gulf, in Iran itself and neighboring countries, lie the greatest oil fields in the world, far surpassing the production of the Soviet Union. If Russia is bent on global domination, it must either possess them or deny them to the western powers. A surprise military offensive could be successful in a few days.

Iranians, however, can congratulate themselves on the fact that there is between their nation and Russia no satellite which could be used as a tool of aggression. The attempt to create one in Azerbaijan was halted in 1946 by Iran's and the United Nations' firmness. The former "democratic" régime in the northwest province is a propaganda ghost, living on as a radio station that haunts the border. But the poverty of which it has made so much capital still exists.

The Kurdistan tribesmen and the puppet leaders who fled to Soviet territory during those troubles are few in number. Any offensive launched by them, without heavy Red Army backing, could be handled by Iranian forces, whose strength is concentrated at the frontier.

Iranians have been careful not to allow the least pretext for aggression. Soft answers have been given to Soviet complaints about aerial surveys on the border. The hunt for oil in the northern provinces has been slowed down because the Russians protested against the employment of an American drilling expert.

Lacking real provocation, the Kremlin has nevertheless found a fruitful propaganda line in asserting that the United States is setting up military bases in Iran with hostile intent against the Soviet Union. Radio Moscow ominously points out that a treaty of friendship signed in 1921 allows Russia to bring troops into Iran should a third power offer a threat to Soviet territory from Iranian soil.

The threat consists of some sixty officers and men of a United States military mission that is helping to train the Iranian Army in modern tactics and the use of American military equipment; there are also sixteen Americans carrying out a similar mission with the gendarmerie responsible for internal security. In Azerbaijan, the

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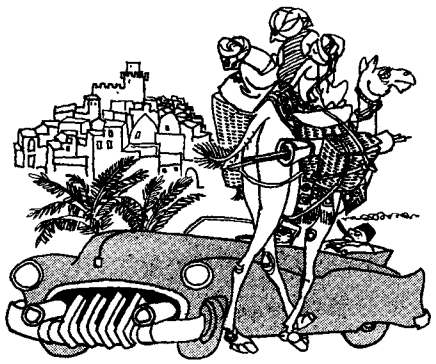
most critical area for Iran's defense, the threat is represented by three American sergeants.

Nine Marines have lately been added to this menacing force. They arrived at the request of the new ambassador, Henry F. Grady, to handle security within the embassy. They wear civilian clothes and bear no arms. Moscow propaganda, faithfully reflected by a large part of the Teheran press, has transformed them into one hundred American gunmen.

For the first time in history, Persia (the older name is officially interchangeable to avoid confusion with Iraq next door) has a government that is trying to better the lot of the mass of its people. Prime Minister Haj Ali Razmara, former army chief of staff, has planned a vigorous development program to stimulate agricultural productivity (about ten per cent of the arable soil is sown to crops), to improve health and educational standards, to build roads, dams, and factories, and lower living costs.

Razmara believes that the success of his program will prevent Communism from getting a foothold in his country. To bring quick, dramatic results, he plans to decentralize the nation's wavering seven-year development plan, parcel out its functions among various ministries, and send its experts out to work with representatives of local communities. Psychological effects would appear more quickly were it not so difficult to disseminate information among any but the literate twenty per cent of the population.

The American tactic is to provide a catalyst or self-starter in the form of



loans for specific projects, technical aid, and military advice. The goal is to bridge the gap between a backward past and a future in which Iran will have developed its own leadership and resources.

American experts, under Ambassador Grady, are studying the Iranian economy to determine where loans from the World Bank and the Export-Import Bank will do the most good, but the money still has not been forthcoming.

The delay has done little to convince Iranians of America's good intentions. Many of them equate any foreign activity with imperialism. While Teheran papers usually print United States Information Service handouts, they also print editorials complaining about the slowness of American aid, playing up American troubles in Korea, and purring like a cat in response to overtures from the Kremlin.

Ambassador Grady's worry over Moscow's current negotiations with Iran is that the resulting trade agreement could be very advantageous strategically to the Soviet Union. The greatest danger would be in the north, the most productive area in the country and the region that would benefit most from trade with Russia. This area has long been coveted by Russia to round out its dominion of the Caspian Sea.

Paradoxically, though Iran's economy is feeble, its finances are sound. The country is wealthy, and if current projects succeed and if some natural resources besides the southern oil can be exploited, Iran could become one of the richest small nations in the world. More than half of its currency is backed by hard metal or foreign exchange. The bulwark of its revenue is royalties from the huge oil concessions of the Anglo-Iranian Oil Company, Ltd., in the southern province of Khuzistan. The income will be doubled if a supplementary agreement with the oil company is ratified by the Majlis (parliament). The agreement, pending over a year, is so overlaid with political complications that its early ratification is doubtful. Meanwhile the government has received an advance in funds from the company, assuming eventual ratification.

In the old southern part of Teheran, where the newer city's traffic of American cars and little British-made taxis gives way to caravans of camels and donkeys, among the bazaars and twisted streets of old Persia, is the stronghold of one of the most powerful enemies of Prime Minister Razmara, of American activities, of reform in general, and of the Shah himself. He is a bearded little old man in turban and gown, with an expression that mixes craft and benevolence.

Ayatollah (Witness of God) Haj Seyed Abol-Ghassem Kashani is a

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leader of Shiite Islam, the official religion of Persia. His following is immense. A word from him is said to have been responsible for initiating the return of the *chador,* the all-concealing female garment that was banned during the time of Reza Shah, father of the present ruler.

Kashani's disciples have been accused of several assassinations. He himself was exiled after the attempt on the Shah's life in February, 1949. While out of the country he was elected a Majlis deputy; and when he returned a few months ago, forty thousand people thronged the airport, and two cows were sacrificed.

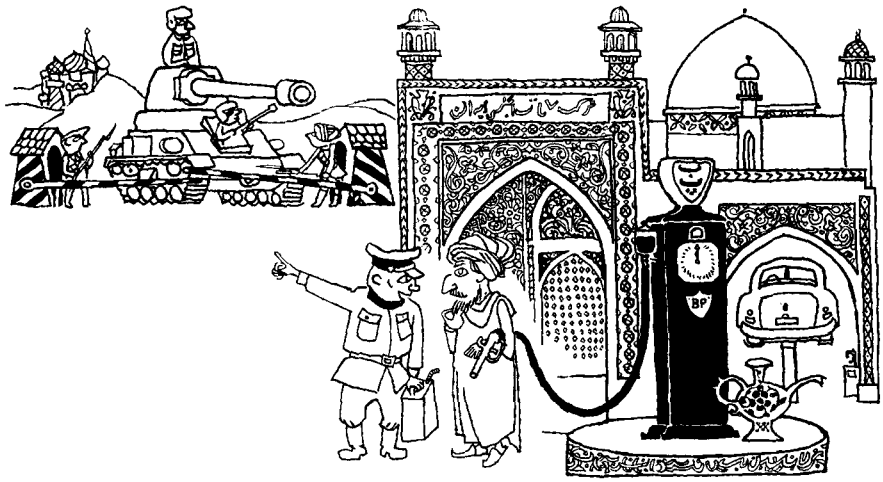
Although Kashani has never taken his seat in the Majlis, his power there is formidable. He has allied himself with the National Front, a group of opposition deputies who frequently reflect the Moscow line. Their leader, Dr. Mohammed Mossadegh, has been called the Henry Wallace of Persia. Mossadegh, an elderly man, credited with being a sincere patriot but often found in doubtful company, bursts into tears during stormy Majlis sessions; he was carried out in a faint when the Cabinet of Prime Minister Razmara was presented to the parliament.

This strange alliance of Right and Left is characteristic of Iran, which has no stable political parties, only makeshift groups clustered about individual leaders, now coalescing, now splitting apart. The National Front is significant only because it currently favors the Soviet "peace offensive" and because it contains elements capable of making a deal with the Soviets.

The police have prevented the actual circulation of the Stockholm Appeal in Iran, and Prime Minister Razmara has seen fit to close several opposition newspapers. As a result, Razmara is, of course, called a dictator and his decentralization program is called a British plot to weaken the country.

If Iran has been living on borrowed time, the Razmara Government, called to power the day after the Korean War began, has made the most of it. Razmara's program, essentially democratic in intention, has started out under a full head of steam. Unfortunately, this head of steam is largely the product of one dynamic personality.

Many who wish Iran well say that Razmara is the nation's last and only hope. This is an admission of the scarcity of capable leadership. Iranians hate to take responsibility. Foreign correspondents quickly learn that the only man who will talk freely and for the record is the boss.



The boss is a genial, wiry, sharp-featured man of fifty, of somewhat over middle height. His manner is affable, direct, and winning. Except for a slight courtliness, he talks and acts like an American, and it is easy to see why Americans get on well with him. He speaks English and French fluently, and some Russian. Until last June, when the Shah called him to form a Cabinet, he had been a soldier all his life. A graduate of France's St.-Cyr academy, he fought unruly tribesmen in the time of Reza Shah and led the action which overthrew the postwar puppet régime in Azerbaijan after Russian troops had withdrawn.

Razmara's Government swiftly supported the United Nations' stand on Korea but declined to weaken home defenses by sending troops. There is talk of sending a medical unit as a token of Iran's support.

When the Soviet Ambassador came to him to talk about a trade pact—after pointedly ignoring the new Government for five weeks—Razmara said firmly that any agreement would have to be preceded by Russia's release of several Iranian soldiers who had been captured in border incidents and by the delivery of $21 million in Iranian gold and foreign currency held since occupation days. A few of the soldiers have been returned; and the Russians have agreed to further discussions of the money matters. While these minor concessions have increased Russia's popularity in Iran, they have also strengthened Razmara's hand. Razmara and the young Shah will try to take the Soviet trade offers for what they are worth, gain what advantages they can from them, and remain on the alert for less friendly Soviet gestures.

Shah Mohammed Reza Pahlevi is not a mere figurehead. The bravery he showed in the face of an assassination attempt last year, when he was shot in the mouth, won him prestige and popularity, even among those who take a dim view of his dynasty and of royalty in general. A constitutional amendment passed during the subsequent hysteria gives him power to dissolve the Majlis, a circumstance which might prove useful to Razmara's program.

Iran's fate will be the product of an equation which has four variables: Russian capabilities, Russian intentions, the ability of the Razmara Government to raise the standard of living, and American (or United Nations) prestige.

The first of these factors could cancel out all the others if a showdown came in the near future. The second is simply unknown, except in the long view. The third and fourth fluctuate from week to week.

In a sense, Razmara holds American prestige in his part of the world in the palm of his hand. Most Iranians are convinced, rightly or not, that his Government was brought to power by American influence, with belated British support. Should his program fail for any reason, America would lose face at once.

—William Gibson Dildine

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Has Stalin 'Stopped' At the Middle East?

Recently Anthony Eden told the House of Commons about a curious conversation he had had with Stalin early in the last war. Stalin was telling Eden that the British were underrating Hitler's political and military talents. Hitler's chief mistake, Stalin said, was that he never knew where to stop. Then, as if reading Eden's mind, Stalin added: "I know what you are thinking now. You think that I shall commit the same error after we have won the war. I can assure you that I shall not. I shall know where to stop."

Does Stalin really know? And even if he does, will he be able to "stop" where he himself would like to? May not forces let loose, in part at least, by himself and his policy drive him beyond a point of no return? History has seen conquerors who knew where to stop but were unable to do so; and it has seen others whom their own wisdom counseled, and circumstances permitted, to put a brake on their ambition, consolidate their limited conquests, and then rest on their laurels. Hitler did not know where to stop, but Bismarck, for instance, did. And how many of those who, like Stalin, trusted their own cleverness and self-control failed at the final test and brought about their own undoing?

It is too early—or is it perhaps too late?—for the world to share Stalin's confidence in his own realism. But it is clear that this question—*Where shall I stop?*—must have been uppermost in Stalin's mind more than once in recent years. He stopped after the blockade of Berlin. He stopped before transforming eastern Austria into a People's Democracy. He has stopped, so far, short of armed attack on Tito.

What has been hardly noticed, or has been almost forgotten, is how many times Stalin has stopped before adventure in an area which has been considered the world's most dangerous storm center—the Middle East. A survey of Stalin's own moves there will reveal quite a lot of the mechanism of his policy, of the impulses behind it, and of the obstacles now in its path.

Immediately after the war, in 1945 and 1946, Stalin seemed to be on the point of resuming a centuries-old aspiration of the Tsars and starting a struggle for control of the Dardanelles and for access to the Persian Gulf. In March, 1945, Moscow denounced the Russo-Turkish Treaty of Friendship and Neutrality. In June, Turkey was asked to consent to the establishment of Russian naval bases in the Turkish straits. This demand was soon accompanied by an ominous campaign of intimidation: From the Soviet Caucasus there rose clamor for the detachment from Turkey of the Kars and Ardahan regions, which the Bolsheviks had ceded in 1921. The Turks mobilized, and as late as March, 1946, headlines announced heavy concentrations of Russian troops on the Turkish-Soviet frontier.

About the same time the Persian conflict flared up. Moscow raised a demand for oil concessions similar to those enjoyed by the Anglo-Iranian Oil Company. Soviet troops stationed in northern Iran for the duration of the Second World War delayed their departure. Soviet occupation authorities set up a quasi-autonomous régime in Iranian Azerbaijan. The West anxiously speculated about further Russian intentions: Would the Soviets detach Iranian Azerbaijan from Iran and unite it with Soviet Azerbaijan? Or would they use their grip on northern Iran to install a pro-Soviet Government in Teheran itself? The headlines irresponsibly overplayed the conflict and reported that Russian armored columns were advancing toward the capital.

Russia's bid for domination over the Middle East seemed to be developing according to all rules of the game; an additional point was added to it by Stalin's demand, made at the Potsdam Conference in July, 1945, for a share in the proposed trusteeship over Tripolitania.

Nearly five years have passed and nothing has happened. The dream of Russian control over Constantinople is still just that. The menace of the Bear advancing to the warm waters of the Persian Gulf, a menace which haunted British diplomacy in the last century, has also faded considerably. Even the professional diplomats hardly remember now how startled they once were by the Russian claims to Tripolitania.

Were all these demands and aspirations the figments of frightened western imaginations? Certainly not, even though the West might have spared itself some moments of hysterical panic. The expansionist impetus which war and victory had imparted to Stalin's Russia *did* seek an outlet along the traditional lines of Russian diplomatic offensives, the Dardanelles and the Persian Gulf. These were, incidentally, the only areas bordering on Russia which had not been engulfed by the war. Here the Allied powers had re-

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drawn no maps and carried out no new division of spheres of influence. Europe and the Far East had been turned upside down, but here the status quo seemed to survive intact, leaving no room for Russian expansion. Stalin's diplomacy saw a chance to remedy this while the international situation still seemed fluid. Since in those days the Kremlin couched its objectives in traditional Russian terms, rather than in revolutionary Communist ones, it took up the demands which had been part and parcel of the Tsarist diplomatic tradition. Having stepped into the shoes of the last Tsar, Stalin claimed the prizes that the last Tsar, if he had been among the victors in 1918, would have regarded as his. Had not the British, under the secret Treaty of London in 1915, promised the Turkish straits to Nicholas II? Had Britain and Russia not kept Persia under their joint tutelage after the agreement of 1907?

It did not take Stalin long to realize that the Russian title deeds of 1907 and 1915, title deeds to which, as a Bolshevik, he could only allude but not expressly refer, were not recognized as valid by the British, let alone the Americans, in 1945. Nor did it take him long to see that if he tried to overpower Turkey or Iran it would mean war.

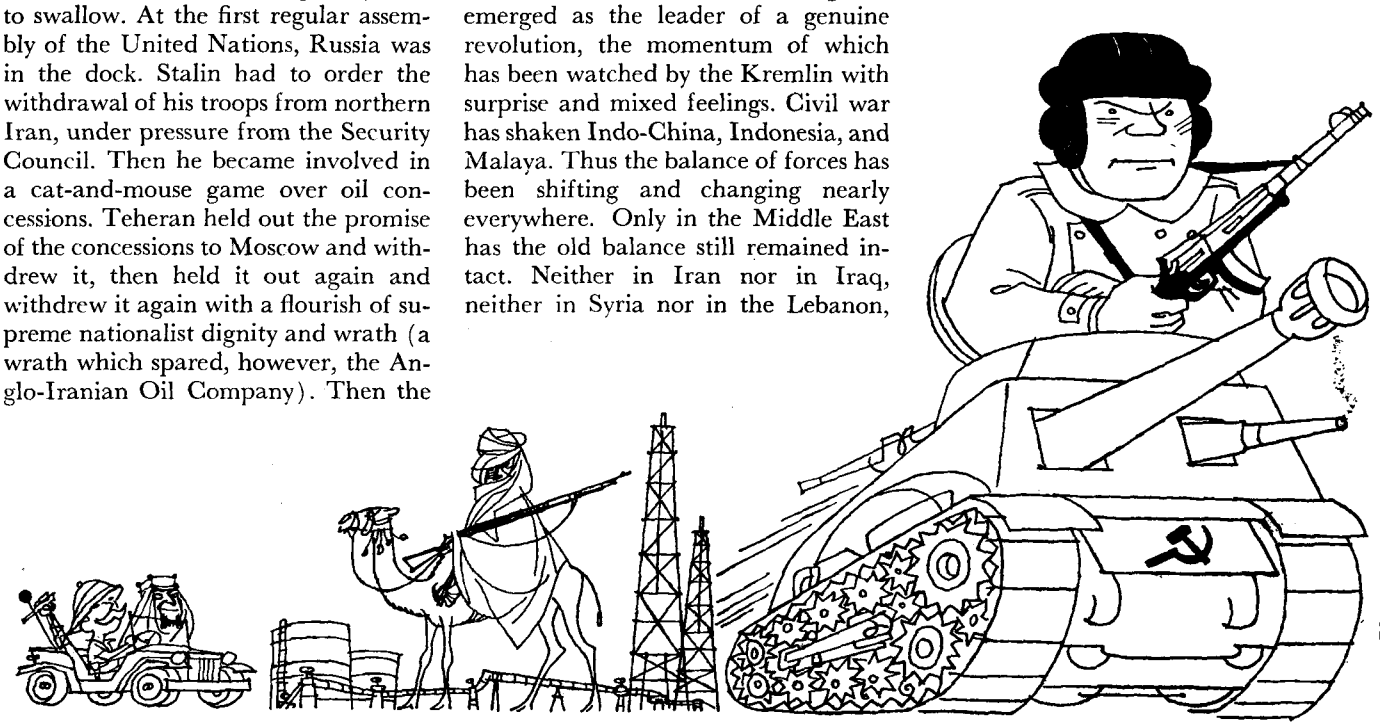
And so Stalin stopped. The Middle Eastern game was not worth the candle.

It is instructive to note how many humiliations Stalin consequently had to swallow. At the first regular assembly of the United Nations, Russia was in the dock. Stalin had to order the withdrawal of his troops from northern Iran, under pressure from the Security Council. Then he became involved in a cat-and-mouse game over oil concessions. Teheran held out the promise of the concessions to Moscow and withdrew it, then held it out again and withdrew it again with a flourish of supreme nationalist dignity and wrath (a wrath which spared, however, the Anglo-Iranian Oil Company). Then the Soviet-sponsored régime in Iranian Azerbaijan was suppressed, its adherents were imprisoned, deported, tortured, and hanged, while Stalin did not even lift a finger in their defense.

No less humiliating for the Russians were the happenings in the Dardanelles, where British and American warships began to pay demonstrative visits. Stalin had to tone down the high pitch of his threats and demands to a low-frequency propagandist hum. In this he was following an old Russian habit. At least four times Tsarist Russia had been "on the point" of acquiring Constantinople: under Catherine II in the eighteenth century, under Nicholas I in 1833, under Alexander II in 1878, and finally under Nicholas II in the First World War. But each time the Tsars threatened to send their navies to patrol the waters "at the windows of the Sultan's palace," they withdrew at the last moment and let the glittering prize slip from their hands. The much-coveted Constantinople was not worth a major war to the Tsars, nor was it to Stalin.

Then the East-West conflict heightened, and in its course Russian diplomacy has retranslated its texts from the idiom of Russian traditionalism into the style of the Cominform. In eastern and central Europe the Red Army has sponsored the revolutions and the People's Democracies from above. In China Mao Tse-tung has emerged as the leader of a genuine revolution, the momentum of which has been watched by the Kremlin with surprise and mixed feelings. Civil war has shaken Indo-China, Indonesia, and Malaya. Thus the balance of forces has been shifting and changing nearly everywhere. Only in the Middle East has the old balance still remained intact. Neither in Iran nor in Iraq, neither in Syria nor in the Lebanon, neither in Turkey nor in Egypt has Russia made any headway. In none of these countries have the Russians been in military occupation, and in none have native Communist or pro-Communist forces been strong enough to make their own revolutions. And so the old régimes, with their intrigues, periodic *coups d'état,* and assassinations, with their varying degrees of vitality and corruption and of social and political incompetence, carry on under varying degrees of dependence on the West. The old, supposedly immutable East seems to have shrunk to the Middle East.

Yet for Russia the Middle East is of first-rate strategic importance. Nowhere are its flanks so exposed as there. Its European frontier is protected by a wide glacis. Its Far Eastern fringe was not easily accessible to an invader even before the Chinese revolution; and it is doubly inaccessible now. Only the Caucasus, with its Baku oil fields, has remained a vulnerable target for any hostile force operating from the Middle East. The temptation for Russia to bring under control the outlying springboards for possible attack is strong. In spite of this, nothing foreshadows dramatic Russian action, because any Russian military move against Turkey or Iran would clearly mean world war. Stalin is therefore as unlikely to order his armored columns



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to move on Teheran now as he was five years ago.

Stalin must also reckon with the weakness of revolutionary forces in the Middle East. To be sure, there is no lack of social grievance and discontent there. What is lacking is the organizing factor that would use that discontent for social upheaval. The Middle East has known little industrial advance in the last few decades, and its urban working class has remained insignificant. Its peasantry has not the social coherence and the rebellious spirit that have been characteristic of the Chinese.

For these reasons, the revolutionary potentialities of the Middle East were treated skeptically in the old Comintern. Its Sixth Congress, at which the chances of Communism in the colonial and semicolonial countries were appraised, took place in 1928, and a lot was said about prospects in China, Korea, Indonesia, India, and Indo-China, but only very little about the Middle East. In this respect the position has not changed much since. The Communist parties have been suppressed and savagely persecuted in Egypt, Iran, Iraq, Syria, and Lebanon. From the underground they appeal mainly to disgruntled groups of the intelligentsia, which so far have failed to establish themselves as the leaders of any wider popular forces. The one exception seems to be the Tudeh Party in Iran, which some observers believe was strong enough two or three years ago to reach out for power. But the Tudeh did not seize its chance then, and it has been suppressed strongly since.

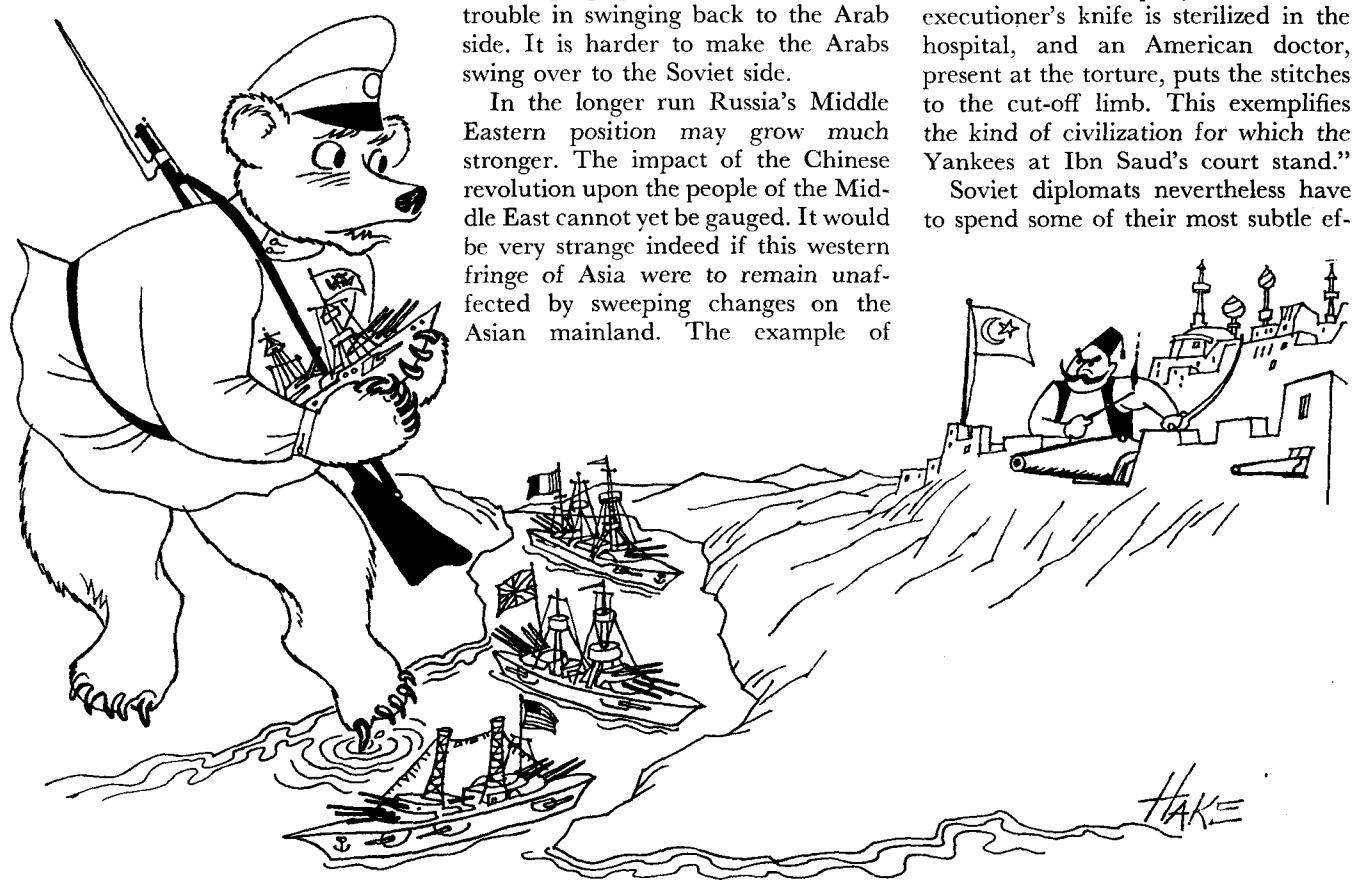
A striking indication of the low view taken by the Kremlin of the chances of revolutionary action in the Arab countries has been its policy toward Israel. Since the earliest days the Communist attitude toward Zionist aspirations was one of implacable hostility. Zionism was condemned as a facet of British imperialism, and the Communist parties backed Arab nationalism to the hilt. The recent Russian support of the Israeli claim to independent statehood in Palestine was therefore a *volte face,* which could only alienate Arab sympathies. The Kremlin would not have acted thus unless it had made up its mind that it could expect no tangible gain from backing the Arabs. It perceived immediately that the small Jewish community in Israel represented more political dynamism than did the many millions of inert Arabs. It probably expected more gratitude from Israel than it has received, and so its propagandists have had no trouble in swinging back to the Arab side. It is harder to make the Arabs swing over to the Soviet side.

In the longer run Russia's Middle Eastern position may grow much stronger. The impact of the Chinese revolution upon the people of the Middle East cannot yet be gauged. It would be very strange indeed if this western fringe of Asia were to remain unaffected by sweeping changes on the Asian mainland. The example of China may do something to stir the peasants of Iran and Iraq to revolt; and the battle cry "Asia for the Asians!" which now means "Asia for Communism," may yet find a resounding echo even in the deserts of Arabia. But this is not more than a possibility; and, in any event, some time must elapse before the impact of the Chinese revolution begins to be apparent.

Meanwhile, Stalin is biding his time. His propagandists denounce the governments in Teheran, Bagdad, Damascus, Beirut, Ankara, and Cairo. They warn the Middle Eastern peoples against the United States as the successor to the British Empire, bent on establishing its influence in alliance with the feudal or "pre-feudal" ruling groups. The native intelligentsia, even those among them who are very remote from Communism, take notice of such warnings and suspiciously watch the American newcomers: the members of military and economic missions, the oil prospectors and builders of pipelines, the recruiters of labor.

The Soviet propagandist at his best can be quite effective: "In Saudi Arabia," he says, "there exists to this day the custom of cutting off the hands of convicted criminals, and this is still practiced on the estates of the Arabian-American Oil Company. But now the executioner's knife is sterilized in the hospital, and an American doctor, present at the torture, puts the stitches to the cut-off limb. This exemplifies the kind of civilization for which the Yankees at Ibn Saud's court stand."

Soviet diplomats nevertheless have to spend some of their most subtle ef-



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forts on precisely those ruling groups and cliques that their propagandists denounce. The Russian diplomats are constantly trying to find out to what extent the western powers are succeeding in bringing the Middle East under their influence, and the Soviets are kept busy trying to put spokes into this wheel. This requires a good deal of court intrigue, bribery, and other conventional Middle Eastern diplomatic byplay. Western observers on the spot watch Soviet moves with some excitement and try to read the omens:

—The Soviet Ambassador (just back in Teheran after an absence of many months) has been behaving with extreme courtesy toward the Shah.
—The staff of the Soviet Legation has again accompanied (or has failed to accompany) King Farouk to his mosque.
—The Soviet radio has slightly abated the attacks on the Regent of Iraq.

This is the small change of local diplomatic business, and it brings the Russians only the minutest rewards. They may get somewhat more benefit from the inner rivalries of the Middle Eastern governments and the extent to which western missions encourage these. The more the Middle East is divided the better, from the Russian viewpoint, since at present it can be unified only under western guidance. And so Soviet diplomats and propagandists subtly help to deepen the cleavages in the Arab League, the rivalry between Iraq and Egypt, the old distrust between Arabs and Turks, and a thousand and one other petty antagonisms and feuds spun cobweb-like around court, mosque, and bazaar. The thicker this cobweb, the more difficult it is for the western powers to systematize the military and political organization of the Middle East.

Since Stalin stopped before taking any risky action in 1945 and 1946, the Middle East has relapsed into its old half-dreamy, half-feverish mode of existence. The powder kegs are not likely to explode here with the thunder and the smoke with which they have gone off in the Far East. Only if the Russians were ready for world war would they cross the frontiers in order to seize the approaches to the Caucasus and to deny the West the use of an important jumping-off place.

—Isaac Deutscher

More Than Ever—
Land vs. Sea Power

Half a century ago, in a nearly forgotten book called *The Problem of Asia,* Admiral Mahan defined the strategic problem of the Eastern Hemisphere in terms of a vast conflict between the Eurasian land mass and the sea power of the United States, Britain, Germany, and Japan.

As he saw it, these two great forces were coming to grips along the belt between the thirtieth and fortieth parallels, particularly at its ends in eastern Europe and in northern China and Manchuria. Each side had its strength and its weakness. Land power, which meant primarily Russia, possessed exceedingly favorable strategic positions and an enormous pool of manpower; its heartland was inaccessible to the sea powers. On the other hand, its poorly developed economy, and in particular its inadequate communications, limited severely the force it could exert in an outward direction.

The sea powers, thought Mahan, could project reasonably strong forces across the seas, but although these concentrations might win local superiority along the coasts, they could not penetrate deeply and wrest territory from the great land power. Where land and sea power met, each was forced to assume something of the character of the other. Russia had fleets in the Baltic, the Black Sea, and the Far East, while the sea powers could count on the German Army in the West and the Japanese in the East. To Mahan, all this added up to equilibrium. Each side would risk defeat if it ventured beyond its natural sphere, as Russia found out when its push toward Korea involved it in the fateful war in 1904-1905 with Japan.

In the half century since Mahan wrote, the world political situation has gone through a radical simplification. Instead of eight major powers, today there are three or four; three of them —the United States, the British Commonwealth, and the French Union— are far more closely knit than Mahan's four sea powers, which were drifting apart at the time he wrote. What in Mahan's day had been a series of scattered clashes over strategic points, colonial territories, and overseas markets has today become a life-or-death struggle involving the destiny of all men everywhere.

Meanwhile, the opposing forces have undergone profound modifications. Russia—or Communist land power— has vastly enlarged its central position on the Eurasian plain. It has built a powerful industrial complex which renders it all but immune to the traditional instrument of sea power— blockade—and has turned the clumsy giant of Mahan's day into an efficient machine that can move powerful forces to its perimeter.

The sea powers have gained and lost. Their technical capacities have probably increased more than those of their opponent. But they no longer enjoy what used to be their greatest advantage: the ability to exploit the weakness of land power where it is most vulnerable—at the extremities. Today—as the Korean campaign has shown—the sea powers have themselves been forced to a major effort in order to overcome their opponents. Besides, as the difficulties of keeping sea lanes open have increased, it has become harder and harder to maintain island bases on the sea approaches to the land mass.

Mahan's entire concept is now overshadowed by the airplane and the submarine. In his day the two forces met only at their boundaries. They might cross swords along narrow coastal

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strips, but neither could penetrate to the bases of the other's strength. With the coming of air power, each side can attack the other at the center of its power. And in the hands of the land power, planes and submarines are formidable instruments for the disruption of its opponents' vital sea lanes.

Nevertheless, much of Mahan's analysis applies. The balance of power still hinges basically on the struggle of land against sea power. The Communist bloc depends overwhelmingly on its land strength. In Korea, its ground forces have shown the spirit and skill which the Germans encountered while fighting the Russian Army. The Communists are again skillfully co-ordinating regular operations and guerrilla warfare. And while the designedly weak North Korean Air Force has not played much of a role, the Russians have vast modern air forces to throw into a global conflict.

Soviet sea power has, fortunately, been lagging. True, the Kremlin has repeatedly announced since the end of the war that it intends to build a powerful navy. From time to time, an old battleship has been reconditioned or the construction of a new one is publicized. Some powerful cruisers and destroyers are in service. But the Communists have no surface fleet capable of challenging those of the sea powers. The Chinese Communists have captured the island of Hainan and threatened Formosa with swarms of power-driven junks, but it is hard to imagine an improvised Chinese armada or even the Russian Far Eastern Fleet bearing down on any targets beyond the Far Eastern island fringe of Formosa, Okinawa, and Japan. In Korea this weakness of Communist land power against an opponent controlling both the sea and air has from the outset been brilliantly exploited by General MacArthur's strategy, culminating in the landings in the enemy's flank and rear at Inchon.

The sea powers still can deny the seas to their opponents, except for some limited coastal waters. German naval surface forces and submarines were never able to overcome that superiority, and where they failed the Red Fleet is not likely to succeed. But the German submarines could restrict the sea powers' freedom of movement and force them into a huge and costly antisubmarine campaign. Again and again in the past two wars the strategy of the sea powers was shaped not only by what they would have liked to do, or what their land and air forces could have done, but what their always insufficient shipping, escort, and patrol forces permitted them to do. "What naval forces will this take?" was the first question in every operation. Since the Russian submarine forces are larger and more formidable than Germany's were, this may again be the key question in shaping the grand strategy of the sea powers.

The strategic area where this question is most likely to be important is the Far East. To the sea powers, the Far East is important today primarily because of the moral commitments they have accepted there: to see the South Korean Republic through; to protect Japan, a commitment implied in the occupation; to neutralize Formosa; the old ties binding the Philippines to the United States; the security of Australia and New Zealand. Aside from such moral obligations, however, the strategic importance of the Far East to the sea powers is doubtful. With its penetration to the shores of the Pacific, the Communist bloc has gone about as far as it can in this part of the world. Without incomparably greater sea power than it now has—or could build in many years—it cannot hope to advance much farther. It is unthinkable that the Communists could cross the Pacific, which General MacArthur has described, in a masterpiece of understatement, as "a vast moat to protect us."

On the other hand, the potentialities of the sea powers—in a general, global conflict—to strike against the Communist bloc in the Far East have become sharply limited. Building up major land forces on this side of the Pacific would take extravagant amounts of naval resources and time, as both the Second World War and the action in Korea have plainly demonstrated. But even disregarding these logistic considerations, it would hardly be worth while assembling massive forces in the Far East, for it is at the extreme periphery of both spheres. Neither China nor eastern Siberia would offer the field for a truly decisive ground offensive, while significant aerial targets are extremely few.

In all probability, therefore, in a global conflict against the Soviet Union itself, the strategists of the sea powers would prefer to conduct only defensive

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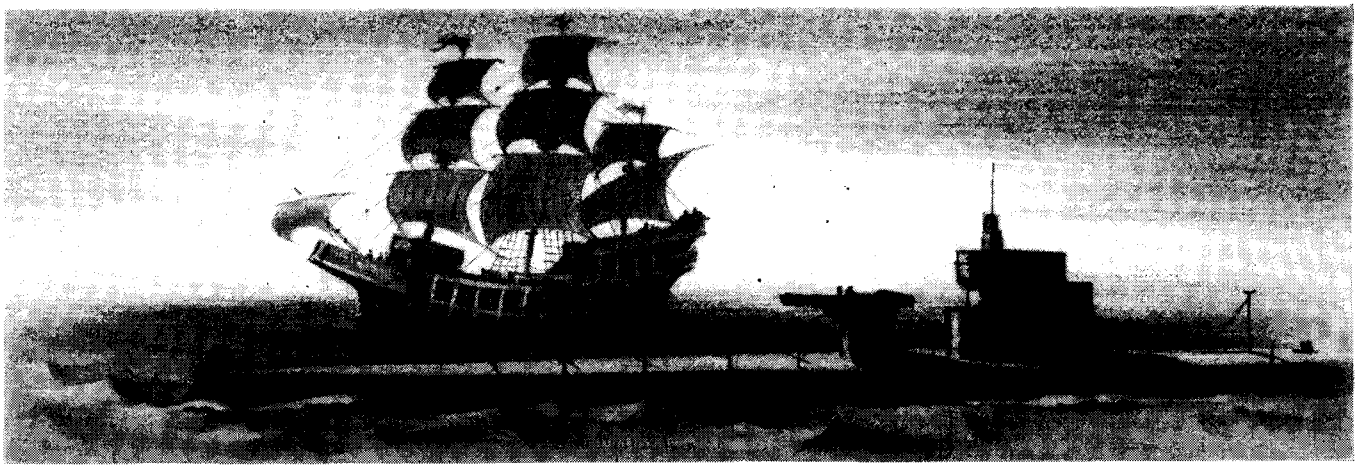

and diversionary actions, involving an indispensable minimum of men and resources in the Far East, and to concentrate upon sectors offering better opportunities for striking at the enemy's heart.

While in the Far East an equilibrium, not unlike that envisaged by Mahan, seems in prospect, his balance is radically upset in Europe. The land power Mahan relied on for stopping Russia's westward expansion—Germany and Austria-Hungary—has been shattered. A great deal of that manpower, in the satellite countries, has been lost to the Communist bloc. The new boundary line does not provide the basis for a military equilibrium. From it, the Communists threaten western Europe continually, while the West has an indefensible line and no space to maneuver or fall back in. What is at stake here is not the distant outposts of the Far East but some of the most vital centers of the western world.

And what is at stake here is irreplaceable: not outer limbs of the free world, but a most vital part of its heart, the oldest centers of the western world, more than half of its people, and a third of its industrial potential.

That is why, despite the immediate urgency of the Korean crisis, and the vast problems which it has raised throughout the Far East, the defense of western Europe must continue and always remain the heart of the strategy of the sea powers. That conviction, which has long determined the policy of the United States, has now been expressly reaffirmed by Secretary Acheson. In principle it has long been accepted by nearly all the states affected by it, and during the past three years has led to the establishment of a bewildering array of bodies for the purpose of co-ordinating political, economic, and military efforts in the face of the menace of the Communist bloc. But these past three years have also shown that it is one thing to achieve such agreement in general principle, and quite another to overcome the prejudices of centuries, as well as the distrusts of the moment. In practice, the organization of the defense of western Europe under the North Atlantic Pact has revealed wide gaps and much confusion because of the multitude of institutions and organs involved. Moreover, as the Korean crisis has clearly revealed, the plans that had been drawn up were based upon an unjustified underestimate of the military strength of the Soviet Union and its eastern European satellites.

It is only now, under the impact of Korea, that the estimates of the forces required have been revised sharply upward (roughly from thirty to sixty divisions) toward figures which begin to sound realistic, and the former excessive reliance upon superior armament and superior mobility has been reduced to its justified proportions. Equally conspicuous and cheering have been the efforts toward greater unification in the organization of western European defense. A plan for the joint pooling of all resources has been urged by the French. The co-ordination of all the field forces under a single commander is in prospect. Yet the discussions made public during the September conference of the North Atlantic Pact powers show that even now the obstacles to complete co-ordination of the defense of western Europe are far from overcome—particularly the very vexing question of rearming western Germany. It will still take some time until this most complex of all military problems can be considered fully solved and overcome.

The greatest contrast between Mahan's picture and that of today is not to be found on either of the two ends of the great Eurasian plain, but in the center—the Middle East. Mahan did not ignore that area, but he thought of it primarily as the controlling sector in the shortest line of sea communications from east to west. Its internal politics and economics played a negligible role in his works. So did the possibility of a Russian stroke southward into Egypt and North Africa. In his day, with land power's poor mobility such a thrust would probably have ground to a halt in the Kurdish or Persian mountains; if not, it could easily have been held by land forces brought up from the Mediterranean and the Persian Gulf. Today a Russian drive in the Middle East has not only become feasible, but appears to be one of Russia's best strategic bets.

Nowhere are Russia's industrial bases more advantageously placed for aggression than on the Caucasus and Turkestan borders. Nowhere are its opponents more distant from their own bases. No area is so fragmented—politically, racially, and religiously—and nowhere have the Russians a better chance to play every group against every other. Nowhere else, perhaps not even in western Europe, would a successful thrust open up such almost un-

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limited vistas for further exploitation.

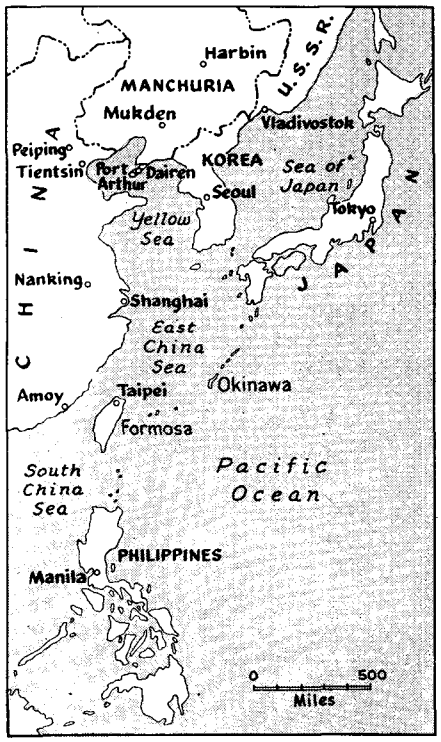
A powerful Russian drive into the Middle East is a definite possibility. In the western half of the area, Turkey might provide a land bastion for the sea powers. To the east, Pakistan and India constitute another barrier. But between these lies a broad belt in which both the political defenses against Communist propaganda and the means to resist powerful modern armed forces are woefully deficient. Defense along a continuous front could hardly be envisaged. Weak forces pushed in from the outside would simply be swallowed.

Thus the defense of the Middle East would probably have to be supported from positions further removed. For several years the British have been shifting their major bases from the Mediterranean and the Middle East to East Africa. There a new African army is in process of being raised, to make up for the loss of India's manpower reserves. There, in Mackinnon Road, south of Nairobi, the greatest supply depot of the Empire is in process of being built. From there the defense of the Suez Canal and Lower Egypt could be organized and any Russian drive into Africa contained. From there long-range aircraft could strike at extended Russian supply lines and support centers of resistance.

But to develop East Africa for so vital a role, much more must be done. The tragic example of Singapore has shown that it is not enough merely to plunk down a modern base in the middle of a wilderness. The whole surrounding region has to be organized and systematically developed. Ports will have to be expanded, the road net improved, bridges and power stations constructed, industrial establishments of every kind fostered. Above all, the present wholly inadequate transport facilities will have to be thoroughly overhauled. If possible, a through rail connection from the African west coast must be established, the present net of west-east lines connected by a series of north-south links, and trans-shipment facilities created to overcome the differences in railway gauges. A vast net of airfields capable of accommodating heavy bombers should be built. All in all, a major industrial effort is required, but it would pay for itself economically as well as strategically by opening up this rich section of Africa.

Thus Mahan's pattern of power has become sharper and more complex. His widely separated "disputed areas" have fused into a single global chessboard in which all sectors are connected, and action in any one is determined by the global distribution of available resources. His "combination of naval and military strength where the ocean touches and penetrates the land" has developed on both sides into a complex of land, sea, and air power, varying according to the sectors and preceded as well as backed by a coordinated political effort.

There is a remarkable difference between the two opposing forces. Communist strategy is essentially political, seeking to achieve its aims by a vast revolutionary movement which, backed by the military and economic strength



Map by Starworth

of its bloc, is supposed to sweep over the whole of the Eurasian continent into the New World.

In this political strategy, land, sea, and air power all find their places. But they remain subordinate. The Kremlin is acutely conscious of the potentialities of strategic air power used against it, but it has shown equally clearly that it does not consider strategic air power its own strongest suit. We can readily imagine a whole series of instances in which strategic bombardment would fit into its general political strategy. But it is hard to believe that some day in the future, when the Soviet government feels that it has accumulated a sufficient stock of atomic bombs, it will decide to switch abruptly from its present politico-military strategy to a purely military one employing strategic bombardment with atomic bombs as the chief weapon.

Try as they may, it is hardly likely that the opponents of the Soviet bloc will be able to meet the subversive offensive of Soviet strategy with an equal or stronger counteroffensive, if only because their own outlook and objectives are not revolutionary. Again, the idea of countering that menace by a large-scale land offensive against its centers is hardly practicable against an opponent stretching across the whole Eurasian plain. Thus strategic bombardment must remain the main potential instrument with which not only to stem his advance, but to break his power of aggression once and for all.

What problems such an unprecedented effort would pose and what success it might meet with are highly speculative in view of the multitude of unknown technical factors on both sides. Even so, three broad points seem to stand out:

First, the fact that, like blockade and submarine warfare, strategic bombardment is an instrument, not of quick decision, but of slow, relentless pressure. It takes a long time to build up, in strength and in experience, by trial and error; and to be effective it needs a most systematic and massive effort. It cannot and should not, therefore, be expected to produce miracles within weeks.

Second, unlike both blockade and submarine warfare, strategic bombardment is not based upon an indiscriminate piling up of quantitative effects, but is highly selective. But that selectivity in the matter of proper target systems is not easily developed.

Third, strategic bombardment, even more than other forms of warfare, is most intimately related to the general political framework of the struggle. It is, therefore, not likely to succeed, or at least to give its best, if it is used in a political vacuum as a mechanical substitute for political action.

—Herbert Rosinski

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An ex-Soviet Officer Concludes His Report:

How Russia Built The North Korean Army

This is the concluding installment of a report on how a Soviet military mission launched the North Korean Army in 1949. This article, which originally appeared in France-Soir *in Paris, was written by Kyril Kalinov, author of* The Soviet Marshals Speak to You, *put out by Stock, a French publishing house. In the preface to that book, the author describes himself as a lieutenant colonel, formerly on the Soviet general staff, who came over to the West while on a Berlin assignment.*

The train that picked us up at the Korean-Manchurian frontier consisted of four parlor cars that had belonged to Admiral Kato, the Japanese Governor General, and also to the famous Matsuoka, who had been president of the South Manchurian Railway. In accordance with protocol, Dr. Kin Man Long had come to meet us. A former Yale student, he was one of the rare North Korean officials who spoke no Russian at all. After this first encounter we continued to meet "internationalized" Koreans. The chief of the information bureau, Colonel Mian Dak Sen, had been in Moscow during the war, but he spoke better German than Russian, having studied at the Technische Hochschule in Dresden.

In the town of Sinuiju we found a compatriot, Colonel Mikailov, chief of the rail services of our Kommandatura. He had remained after the departure of our troops to settle the question of transfer and restitution of rolling stock. The Koreans, it seemed, had tried by every means to cheat us of several hundred cars, and Mikailov was greatly aroused against them. "They are all thieves and liars," he told our Colonel Miaskov. "After Colonel Mian had sworn to me that several of the Hamyong trains had been burned, apparently through sabotage, I went to

verify his report and found all the cars in excellent condition—they were repainting them.

"These Koreans don't give a damn about railroads," Mikailov told us. "They'd rather carry everything on the backs of animals or men. And they do accomplish remarkable transportation feats."

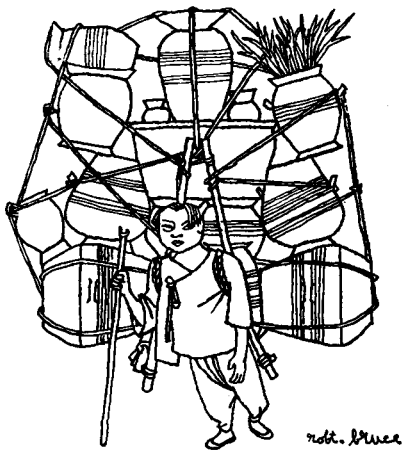
On the rudimentary road that followed the railway, we saw long processions carrying extraordinary arrays of objects and goods. They walked in Indian file, in groups of about fifty porters, each commanded by a chief who was distinguished by the enormous size of his straw hat. He led his group by whistles, to which all responded with remarkable synchronization. There were also groups of porters working as teams of ten or fifteen, carrying enormous nets full of goods. Mikailov explained that the nets were woven from threads of Chinese hemp, or *kun-lan.*

We were struck by the great quantities of objects in the nets. Kalnin explained: "These threads are as strong as and more extensible than certain kinds of steel. The nets, which are called *lam-tanga-pon* in Korean, can carry loads of several tons."

I was not the only one interested in this mode of transport. We soon learned that these teams often covered as much as twelve and a half miles a day, and that the nets could be loaded with up to eleven hundred pounds. Since innumerable villages and towns were connected neither by rail lines nor by roads suitable for wheeled vehicles, the net system was highly developed.

We quickly realized that the North Korean armored forces might well have to be provisioned by this network, which would be almost immune to aerial bombardment. This was all the more important in view of the Politburo's decision not to furnish the Koreans with many planes. Obviously, the slowness of this form of transport was a handicap, but from the Manchurian frontier to the town of Haeju, just north of the 38th parallel, was only about 175 miles.

As for South Korea, from the 38th parallel to Pusan is only about 188 miles. Figuring the average speed of



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the *lam-tanga-pon* at about five miles a day, in view of the difficult terrain, we concluded that armored forces at the southern end of the peninsula could receive fuel and food by this means in about forty days. We estimated that in a little more than a month after the opening of possible hostilities, the whole of South Korea could be covered by a *lam-tanga-pon* network, which, by avoiding the roads and railways, could assure an armored army a constant supply of fuel. Obviously, pack animals could also be used. Thus one of our most difficult problems was solved in a way extremely favorable to the Northern armies.

At the station in Pyongyang, a large delegation awaited us: high civil servants, officers of our liquidation commission, and representatives of the trade unions, the party, and the municipality.

Our generals were fatigued by the trip, and had had enough of receptions and banquets. They asked that a full-scale conference be arranged for the next day so that work could be gotten under way.

Dr. Kin Man Long explained that this was impossible. "If we did such a thing, people would say the government was neglecting your mission, and then you would never have proper prestige with our military men, and your work would suffer."

We had to give in. We were in the Orient, with its own customs and views in matters of prestige. We had to attend numerous banquets and entertainments, with repetitious food and repetitious speeches. Great reserve was displayed by the North Korean government representatives.

"I don't like this," said Kalnin. "They're up to something."

Finally the day arrived for serious work to begin. We were to go to the building of the Society for Cultural Relations, formerly the club of the high officials of the South Manchurian Railway.

We met in a large room with white columns, a balcony for an orchestra, and Renaissance-style windows. After the Soviet and Korean anthems had been played, Khon Men Khi, vice-president of the Council and War Minister, opened the meeting, as Kim Il Sung, the president of the Council, was absent because of illness. Khon Men Khi welcomed us briefly, and then went directly into a long technical speech. The moment he began, I knew that Kalnin had been right.

After having warmly thanked the Soviet government and Generalissimo Stalin for sending our mission to North Korea, the speaker rather sharply criticized our plan, about the main outlines of which the representatives of North Korea in Moscow had advised him. He declared at once that his government, which was in close contact with the Chinese revolutionary war committee, headed by Comrade Mao Tse-tung, had worked out with General Chu Teh a plan for reorganizing the army. This plan provided for a very powerful air force, composed of four wings each of 250 modern planes. Of the total, 750 would be fighters and 250 medium bombers. While recognizing that Russia, needing planes itself, could not give Korea a sufficient number, he asserted that Korea could quite well obtain planes from Sweden and Switzerland, or from Czechoslovakia, with which his government was negotiating a trade agreement. Moreover, General Chu Teh had proposed to give Korea some three hundred planes from the Kalgan reserve.

Our generals continued to maintain that the plan approved in Moscow with the participation of the Korean representatives could not be changed without the formal consent of the Soviet government.

Shtikov, who in a few days was to present his letters of accreditation as Soviet Ambassador to President Pak Khen En, took the Foreign Minister aside and explained to him that there would be all sorts of difficulties if the prearranged plan were upset.

Colonel Miaskov, who was seated next to me, said in a low voice, "We've got to be diplomatic with these people, but our orders are definite. . . . Kim Il Sung himself, Pak Khen En, Khon Men Khi, and many others are old Trotskyites, like Mao Tse-tung and Chu Teh, and like Tito too. We can't reject their demands categorically, but we must drag things out and wear them down."

"And if they do get planes themselves?"

"No danger of that. Prague will give them nothing without our consent. To buy in Switzerland or Sweden, they would need foreign exchange, which they haven't got. As for the planes in Kalgan, it's our Comrade Klonin who controls them, not Chu Teh."

The meeting lasted a long time. Our generals proposed several times to adjourn the discussion of air power, but the Koreans would not agree. Each side held firmly to its position, repeating the same arguments.

At last General Kubanov decided

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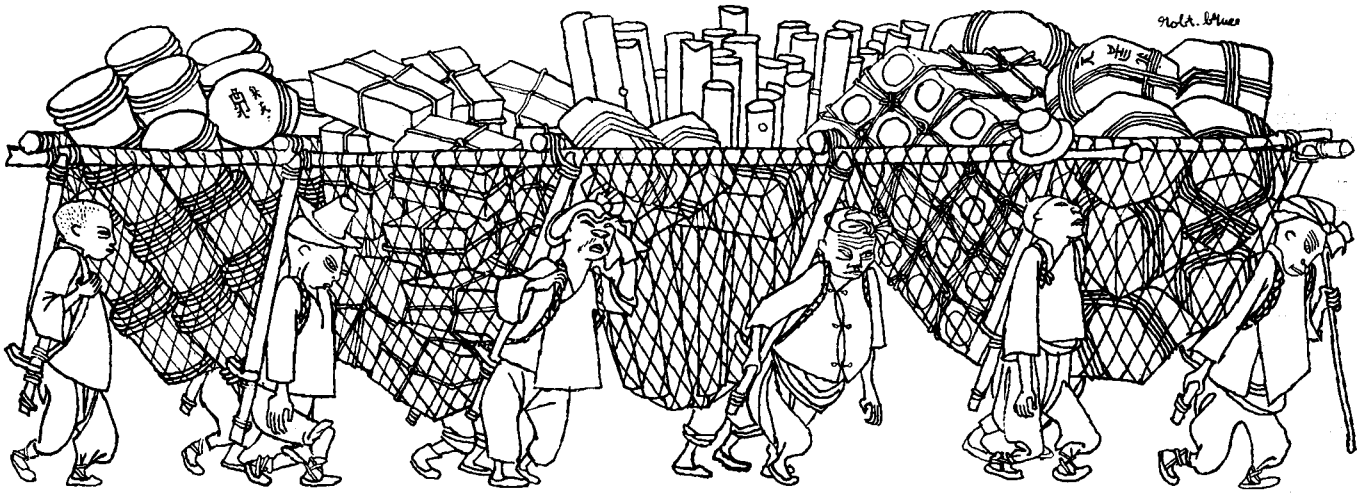

to put an end to the negotiations. Rising, he said: "I believe we can adjourn. The plan approved in Moscow will remain the basis for our work. We shall also take into account, as far as possible, the proposals of Comrade Khon Men Khi." But the latter was not yet beaten. He refused to sign the minutes. Finally, a hybrid solution was adopted: Kubanov's proposal was entered in the minutes, but another meeting was called, in which Kim Il Sung would participate, to settle the air force question definitely.

As is customary, the real negotiations were carried on outside the meetings. So the second meeting, at which Kim Il Sung presided, did not last long. The swiftly recovered Korean government leader had talked directly with Molotov, and understood that resistance was futile. Molotov had been categorical. He promised only that a group of 150 planes would be readied and put at the disposition of the Korean command. This figure had been planned from the beginning, but had not previously been announced, so that it looked as if we were giving the Koreans some satisfaction.

The real work now began.

In the latter part of January, 1949, the fifteen hundred Buryat Mongol specialists and the Kirin divisions arrived in North Korea.

The new tanks—the medium being a modification of our T-34, and the heavy being a cross between the KV 2 and the German Tiger Royal—were beginning to arrive by way of Vladivostok, where we had maintained an important tank depot since the Battle of the Hills in 1938.

Kubanov and Katukov were in charge of receiving the matériel at the port of Wonsan. Koroteyev and Shtikov were in charge of organizing the fuel depots. The problem was not an easy one: Vladivostok had little oil, and though the Sakhalin wells furnished some two million tons a year, we had no refineries on the Pacific coast. A small refinery was hastily constructed near Wonsan and connected by pipeline with the Hachongjang station, at the junction of main railroads and highways. The new plant could refine some one hundred thousand tons a year. Another was installed underground near Lake Tien Chih in the northeast.

The latter was intended to refine oil from bituminous schist, which was very plentiful in that region. The process used was a variant of the thermo-catalyzing method developed by the French engineer Houdry and used in the United States. This secret refinery could supply some 125,000 tons of 80-octane gasoline a year. So we could estimate that by the end of 1949, or at the least by the spring of 1950, the armored army of North Korea would have a sufficient supply of fuel. To be prepared for any eventuality, we bought gasoline from the Anglo-Dutch companies and made plans to create a reserve of one hundred thousand tons at a depot at Wonsan.

Obviously, it was necessary to keep the existence of the new modern army secret. Therefore the two armored divisions were to be stationed in the northeastern part of Korea, in the desert regions around Lake Tien Chih. The lake would give us a chance to perfect amphibious tactics, and especially to train for crossing the very numerous rivers in Korea.

In February, 1949, the six shock divisions had been formed, numbered 1, 3, 4, 5, 6, and 7. They included the Korean troops from Kirin and three Korean regiments that had distinguished themselves at Stalingrad. The regiments themselves had been half demobilized, but there were still some five thousand men in them, who were turned over to the North Korean Army. All the soldiers were promoted to noncommissioned rank and the noncommissioned officers became lieutenants, and thus an elite cadre was supplied.

The armored divisions were numbered 2 and 8. The regular infantry divisions, Nos. 9, 10, 12, 14, 15, 16, 17, and 19, were to be formed by May, 1949. The numbers 11, 13, 18, 21, 23, 24, 26, and 28 were given to territorial divisions. The 28th was to furnish military police detachments.

It was decided to motorize the 1st and 4th shock divisions, and the 16th infantry. It was a simplified motorization: We gave each division a hundred to a hundred and fifty light trucks armed with machine guns, and a few dozen motorcycles and sidecars.

At the end of February, 1949, the new army held combined maneuvers, which I attended. Two shock divisions, together with one motorized and one armored division, were engaged in maneuvers in the region around the town of Chanjin, as far as the Mi-Chiang River, which empties into Lake Tien Chih. The exercise was a combined action simulating a sudden breakthrough of an enemy defense line and a rapid and deep penetration of his rear area.

What struck me primarily was the astonishing silence with which the soldiers moved. They climbed out of the trucks without the least clatter of weapons. The dispersion maneuver was perfect, and after a quarter of an hour

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the immense field, which had been dotted with hundreds of figures, was apparently deserted. The officers were in no way distinguishable from their men, and took cover with the same skill. We heard nothing except an occasional whistle from the officers, such as a foreman uses in directing workers in the field or a team of porters. Even as they advanced the Korean soldiers remained silent, in contrast with our own army, which yells as it advances.

The exercise of crossing the Mi-Chiang was highly successful. The four sections of engineers attached to each armored division had rapidly built wooden bridges. They used Korean elm, known as *maku,* which is extremely strong and very light. At the conclusion of the maneuver, our observers were of the opinion that in six hours an entire armored division could be moved across the river.

On another occasion, I attended maneuvers in the frontier region. This exercise simulated a combined action of regular regiments with guerrilla units in the mountains along the frontier. What seemed most curious to me was the astonishing rapidity and ease with which the regulars transformed themselves into guerrillas and then back into regulars. Each man carried a small bag containing civilian clothes, in which he hid his helmet and uniform. All were armed with Japanese artillerymen's automatic carbines, so short that they could easily be hidden under their clothing. This armament was reinforced by very short light machine guns from the Japanese depots in Manchuria, and by Sten guns. The troops were well supplied with radio sending and receiving sets, and I was told that a certain number of the officers attached to the regular troops were going to put in some time with the guerrillas in the mountains of South Korea.

Our generals were very pleased with the maneuvers as a whole. I heard General Zakharov say, "In a year and a half or two years this army will be a formidable force, more dynamic and coherent than the Chinese Army, which will not really be a homogeneous force until 1952."

A few days later, a telegram recalled part of our mission to Moscow: Certain indiscretions had resulted in a bit too much talk in the U.S. press about our work in Korea. Henceforth it must be more carefully camouflaged.

I returned to Moscow with Generals Kubanov, Katukov, and Zakharov, among others. Nearly all received new assignments. General Kubanov was to go to Berlin to direct the formation of the People's Police of East Germany. I too was assigned to Berlin. It was there that I was soon to quit the service and take refuge abroad.

Since the war began in Korea I have given a great deal of thought to this conflict between the North Korean Army we formed and the United Nations forces.

As a technician and as one familiar with local conditions, I felt sure from the beginning that it would be very difficult if not impossible for the South Korean Army to offer serious resistance, even with American support.

The South Koreans were greatly outnumbered. Twenty-two Northern divisions, plus two armored divisions with five hundred excellent tanks at their disposal, were opposed to seven or eight Southern divisions that had only a few dozen light tanks. The South lacked even adequate antitank weapons. Their 37-mm antitank guns were wholly ineffective against our T-34's, which are invulnerable to much larger caliber antitank weapons, except at very close range.

As for the U. S. Air Force's initial delaying action, it could scarcely be effective either, in view of the remoteness of the American bases; it is axiomatic that tactical air power is of value only when it is based close at hand, permitting frequent sorties and long periods over targets.

In their motorized and mechanized penetration, the armored forces of the North were handicapped only by the problem of gasoline. In this respect American strategic air power did have certain results. Had it not been for the destruction of rail lines, bridges, and yards, the North Korean armored forces could have covered the distance from Inchon to Pusan by going down the west coast in seven to ten days. That would have been the normal course of the Korean campaign.

But the attacks of American strategic air power, as well as of carrier-based planes, made it necessary to provision the armored forces by means other than road or rail transport—by pack animals, and by the famous *lam-tanga-pon*. This was bound to delay the advance, for, as we have seen, by this method it takes about forty days to get gasoline to the far south.

The whole question, therefore, was whether the Americans could succeed in this relatively short period in building up a force sufficient to stem the armored advance. I am purposely leaving aside certain aspects of the battle such as the work of the partisans and the Northern infiltration tactics, which, although spectacular, are only accessory to the main action. The vital factor in this war, according to all our plans, was the armored forces.

Clearly, the Americans underestimated the military capability of the adversary. It did not even occur to them that the North Korean Army might be quite effectively trained, and they did not foresee the possibility that it would be supplied by a means that could not be stopped or even seriously inconvenienced by aerial attack. In this respect the experience of the Second World War perhaps led them astray.

—KYRIL KALINOV

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The War on Co-ops

To the National Tax Equality Association, one of the nation's most powerful lobbies, the word "co-operative" has assumed a new and wicked connotation. "Tax dodge" and "racket" are two of the nicer definitions it uses. It shrugs off the claims of the many farmers and small businessmen who insist that co-ops are what keep them in the black.

The Tax Equality Association, which has headquarters in Chicago, says that co-ops are growing "at jet-propelled speed," destroying free enterprise in the process. The N.T.E.A. knows all about jet-propelled growth. It was started in 1943 by a few Minneapolis businessmen who resented co-op competition. Today it is one of America's most extravagant lobbies. It has thirty-five state affiliates, through a subsidiary, the National Associated Businessmen.

Last year the two national organizations, which think and act together but solicit contributions separately, collected more than $600,000. All this went into a drive to tax co-ops—farm as well as business. The N.T.E.A. demands that co-ops pay Federal income taxes on the same basis as business corporations—an average of thirty-eight per cent on net proceeds.

What N.T.E.A. spokesmen try very hard not to say is that the co-op and the business corporation operate on entirely different principles. The co-op exists to save money for its patrons. The corporation exists to make money from its patrons for its stockholders. And while the co-ops have their share of faults, which badly need correction, a blanket tax would correct nothing.

Such arguments only spur on the N.T.E.A. It found a good friend and helper recently in the House of Representatives. He is Noah M. Mason, an Illinois Republican best known for his one-man campaign to impeach Harry Truman for the President's action, or lack of it, in the February coal strike. With the N.T.E.A.'s assistance, Mason drew up a bill which he said would bring the government an additional billion dollars annually without increasing anyone's taxes. All the new revenue was to come from previously untapped sources: two-thirds from co-ops; the other third from the varied extracurricular business activities of schools, churches, charities, labor unions, and the government.

Wide World

Masters of the Grange:
Albert S. Goss, Henry D. Sherwood, Joseph W. Fichter

Secretary of Agriculture Charles F. Brannan called the bill a "souped-up, below-the-belt attempt to tax co-ops out of business," and President Truman backed him up.

The N.T.E.A., which itself avoids taxes as a nonprofit corporation devoted to "educational, scientific and research activities," called the bill "the true beginning of tax equality." To prove its appreciation, it supplied Mason with pretyped answers to some of the fan mail he got about the bill.

In January, when the Eighty-first Congress returned for its second session, the House Ways and Means Committee promptly took up the Mason bill. After exhaustive hearings, at which the legislators appeared able to "get at" everything but the facts, the committee virtually threw up its hands, shelving Mason's proposals for the rest of the session.

Then in August, Walter F. George, chairman of the Senate Finance Committee, announced that his group would take up where its counterpart in the House had left off. He tentatively scheduled hearings on co-op taxation for next January.

The N.T.E.A., impatient with the

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ponderous methods of Congress, is already trumpeting its victory. The National Associated Businessmen, N.T.E.A.'s Siamese twin and Washington outlet, has gone so far as to proclaim:

"At a meeting of the fifteen Democratic members of the Ways and Means Committee, virtually all agreed that co-operatives would have to be taxed before long. . . .

"We have letters from more than two hundred Congressmen pledging their votes to tax co-operatives the first time the matter is presented."

Today more than two hundred major forms of business use the co-operative principle. Co-ops may or may not be exempt from Federal taxes. They can do nonprofit business for just their members (and pay regular corporation taxes on nonmember business), or for all their patrons. They can function on the retail level, the wholesale level, or any higher level. They can sell, or buy, or perform services for their patrons, or combine any or all of these.

Co-ops own oil wells, coal mines, farm-machinery factories, and many other manufacturing plants. Seventy-five per cent of all the copper in this country is bought co-operatively. A still larger percentage of the cranberries, nuts, and California oranges is sold co-operatively. At last count, there were even forty-four burial-service co-ops in existence.

Among the better-known co-ops are the American Automobile Association, the Co-operative Grange League Federation Exchange, the Independent Grocers' Alliance of America, the Co-operative for American Remittances to Europe, and the Railway Express Agency. In a broader sense than that used here, but one which the Mason bill embraces wholeheartedly, the huge mutual insurance companies and the credit unions are also co-operative activities.

Somewhat of a surprise is the number of newspapers supporting Mason and the N.T.E.A. About seventeen hundred newspapers, including most of the big ones, are members of a co-op themselves. The Associated Press, according to co-op supporters, is not only "the best co-op in America" but also "the pattern for almost all modern business co-ops."

Although co-ops vary even more in exact legal form than they do in fields of endeavor, all have a common purpose—to serve their patrons at cost. Logically enough, any organization which does business at cost—be it co-op or corporation—has no profits and therefore pays no income taxes.

Obviously, however, no co-op of any size could do business at cost on a day-to-day basis. Both temporary profit margins and reserves are essential to any sort of practical operation.

To provide temporary margins, marketing co-ops underpay their producer-patrons; service and purchasing co-ops overcharge their consumer-patrons. Both operations are perfectly legal as long as the co-op has a "prior contract" with its patron to reimburse him later in what are commonly called "patronage refunds."

The reserves problem, vital in a co-op's early years and in its periods of growth, is solved by allowing the co-op to retain its patronage refunds. But in general, the patron must be given both certification of the amount owed him at the end of the year and also credit for that amount on the co-op's books. Here again, a prior contract must exist.

This is why the accumulated net proceeds of a co-op are almost always the property of the individual patron —property he must include in his income and pay taxes on. Conversely, they cannot be the property of the co-op itself. This is what Mason and the N.T.E.A. refuse to understand. How, they ask, can any organization accumulate reserves if it has no net proceeds of its own?

The prior-contract stipulation is the key to the tax status of almost all co-ops. The Treasury Department has simply ruled: "In the case of both co-operatives and ordinary corporations, patronage refunds or price rebates are excludable [from income taxes] if paid in accordance with a contractual obligation in effect at the time of the transaction."

The N.T.E.A. calls this ruling "blatant favoritism" toward co-ops, even though it applies equally to corporations. Such cash-deal or quantity rebates, in fact, are a common practice with most corporations. And as a promotional scheme, corporations have even used patronage refunds. In 1914, the Ford Motor Company promised to make refunds to customers if a million

Wide World

Secretary of Agriculture Brannan

or more cars were sold during its fiscal year. The goal was surpassed, and in 1915 each customer received a refund of fifty dollars. Since this money was paid out pursuant to prior contract, Ford was able to exclude it from taxable income.

Although the scheme was a promotional success, Ford never gave it a second try. The explanation seems simple. Ford is not in business for its patrons; it is in business for its stockholders. Evidently the stockholders decided that they would rather keep the fifty dollars per customer for themselves, even though they would have to pay out a huge slice of it in the form of corporation taxes.

The Ford case is also of interest in the light of a recent statement by John Hartford, head of the Great Atlantic & Pacific Tea Company. Said Hartford, "If the government wins [its anti-trust suit against A. & P.], I will convert the whole business into the biggest consumer co-operative you ever saw."

Mason and the N.T.E.A. have often cited this as proof that co-ops are about to take over the economy. But it is only reasonable to wonder if the Hartford family would really consider giving up its stock dividends for patronage refunds on the amount of A. & P. food it could consume in any given year.

Hartford's knowledge of the anti-trust Acts might also be questioned, since his projected co-op would be

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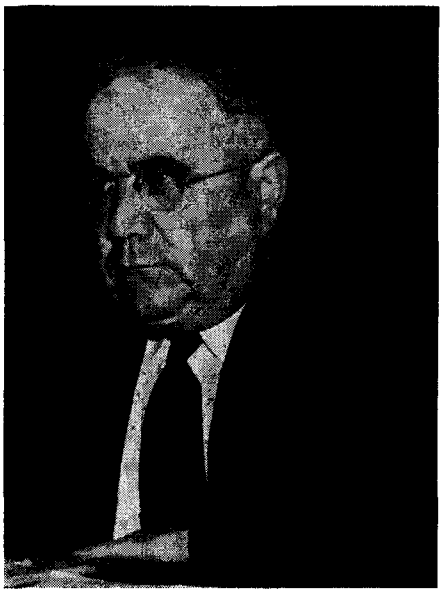

Wide World

Representative Noah M. Mason

subject to exactly the same suit that his present corporation is facing. No business co-op has any exemption from the various antitrust Acts, just as none has any exemption from taxation.

Actually, one class of co-ops does hold a favored position under both revenue and antitrust laws. This is the farmer co-op, whose early history explains why it gets special treatment.

In 1911, 350 hog raisers at Decorah, Iowa, decided to do something about the extremely low prices they were getting on the Chicago market. They formed the Decorah Farmers' Co-operative Society, "to establish a market where the farmers would receive for their hogs what they were worth in Decorah." During the next two years, the society marketed twenty-five thousand hogs and distributed $430,000 among its members.

A Chicago buyer named Reeves, who found that he had to pay more for Decorah hogs than he used to, brought suit against the society, claiming illegal price fixing. The Supreme Court of Iowa had only to look at the Sherman Antitrust Act, which prohibited "Every . . . combination . . . in restraint of trade or commerce . . ." And the court upheld a permanent injunction against the little group of producers.

About the same time, Congress was deciding that farmers were the one segment of our society that really needed the co-op, for it could give the farmers two things: what the Industrial Revolution had already given manufacturers—procurement, production, and marketing all under one roof; and what unions were rapidly giving labor—the right to bargain collectively for services rendered.

As a result of the Decorah case and similar decisions, Congress slipped into the Clayton Act of 1914 a provision that "Nothing in the anti-trust laws shall be construed to forbid the existence" of farmer co-ops. Later legislation emphasized the word "existence" by authorizing the Secretary of Agriculture to prosecute any farmer co-op which—not by existence, but by actual practice—violated the intentions of the antitrust Acts.

In 1916, farmer co-ops were exempted from Federal taxes. But since patronage refunds had already been declared "excludable" from income taxes, the new ruling could exempt only such minor financial factors of the co-op as unassigned reserves and stock dividends. The same law also laid down certain rules that the farmer co-op must follow to gain exemption. Dividends had to be limited to a nominal amount. Reserves must be "reasonable." And nonmembers must be treated on the same basis as members.

Primarily because of the last regulation, almost half of the ten thousand or so farmer co-ops in existence have elected to remain nonexempt—and thus avoid paying patronage refunds to nonmembers. One of these, the Co-operative Grange League Federation Exchange, gave up its exempt status only last year. It then paid the government $921,000 in back taxes on nonmember business.

In adopting a nonexempt status, the G.L.F. was only following the trend of the entire co-op movement, a trend toward mixed profit and nonprofit operation. Today, probably eighty per cent of all co-ops are working on this mixed basis, serving members at cost but making money from nonmembers.

Co-op lawyers argue that this gives a co-op no advantage, since it must pay regular corporation taxes on whatever part of its business is done for profit. But the fact is that members gain at the expense of nonmembers, who have contributed possibly as much or more to the savings by increasing total business volume and thus cutting unit cost. It might well be asked if such "preferential treatment" is not much the same as the preferential treatment of rebates which has caused so many corporations to be haled into court.

As it prepared to testify during hearings on the Mason bill last February, the N.T.E.A. had a filing cabinet full of case histories of co-op malpractices. But the day before the N.T.E.A. was to get its inning before the Ways and Means Committee, the House Select Committee on Small Business released a report it had been holding for more than a month, which threw light on both the N.T.E.A. and the National Associated Businessmen.

Despite general denials, these two lobbies, like a pair of pants, proved to be firmly joined at the top. Both were organized—and are still run—by the firm of Vernon Scott and Loring A. Schuler. They share the same offices in Chicago and Washington. Both spend "ninety-nine per cent" of their time fighting co-ops. Practically all the high officials of one are also high officials of the other. Their lobbying reports even show that the N.T.E.A. pays approximately two hundred dollars a month to twenty-one "individuals whose names happen to be those of secretaries of N.A.B. State affiliates."

Of the more than $600,000 these lobbies raised last year, an estimated $500,000 was spent. Scott & Schuler received $67,600 in addition to their office facilities. And even this, the report states, is only a partial record of N.T.E.A.-N.A.B. activities. It does not include the operations of the thirty-five state chapters of the lobby bloc.

The report also published a list of Scott & Schuler's biggest backers—those who contributed at the rate of two thousand dollars a year or more. It included sixteen large private power companies, all old foes of rural-electrification co-ops. Among the other big backers, only the lumber, grain, and hardware companies were prominent—and there were no more than four of any of them.

After twenty pages of documented destruction, the report came to its justification as a subject for investigation by the Small Business Committee. According to the evidence, the N T.E.A.-N.A.B. claims it represents small business. But the lobby bloc's

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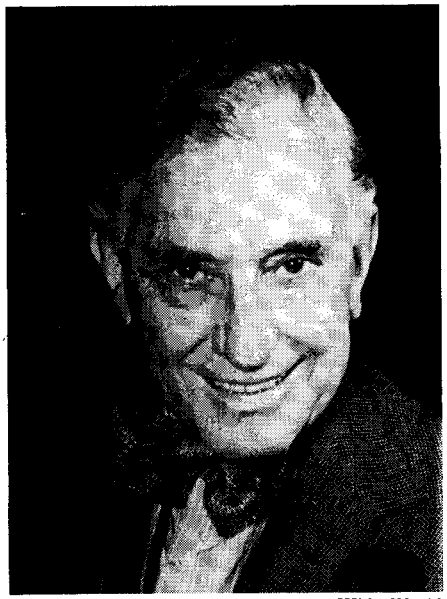
backing and its lack of action on true small-business issues prove that such claims are false.

When the Ways and Means Committee opened its doors to the N.T.E.A.-N.A.B. witnesses on February 22, all thirteen of them deplored the sad lot of the heavily-taxed corporation at length. But then examination by the committee revealed that eight of the thirteen actually didn't represent corporations.



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John Hartford of the A. & P.

They were speaking for organizations whose members consisted mainly of partnerships and sole proprietorships. And like co-ops, neither of the latter forms of business pays any taxes on its net proceeds.

After sitting through two sessions of table-pounding and vitriol, one member of the committee announced: ". . . some of the [N.T.E.A.] show . . . would wean me away from support of their proposition . . . That does not impress me a bit either."

The pro-co-op lobbyists, in their rebuttal before the committee the next day, learned from their rivals. They just skipped any witness who might prove embarrassing. Out of eight witnesses, seven represented farmer co-ops only—this despite an admission that farmer co-ops are just "a small part" of the total co-op movement. Also, since the Mason bill would tax all co-ops, pure as well as corrupt, these witnesses were able to shield the latter behind a ringing defense of the former.

Their tactics were a success. In four hours they had every member of the committee, including Noah M. Mason himself, agreeing that nothing should be done to hurt "genuine" farmer co-ops—that farmers, even today getting only forty-eight cents of the consumer's food dollar, should actually be encouraged to form more co-ops. But which co-ops might be called "illegitimate" remained a mystery.

Finally, toward the end of the second day, Chairman Robert L. Doughton leaned forward and interrupted, suggesting that the committee was getting exactly nowhere.

"What do you think about having some disinterested, qualified, competent department or agency—like the Federal Trade Commission . . . go into this matter very carefully and exhaustively to find out the real truth about this issue?" he asked.

Doughton's suggestion is by far the best contributed to date. The FTC could start with certain facts. It could start with the fact that in 1940, eighty-four per cent of the businesses in the United States were partnerships or sole proprietorships, 14.5 per cent were corporations, and only 0.44 per cent were co-ops.

The FTC would find that the co-op has definite limitations. Because a young co-op must retain all patronage refunds in order to build reserves, it makes strong demands on the faith of its members, who find they get no immediate tangible benefits. This need for *esprit de corps,* in fact, is the one reason why co-ops generally succeed only in areas where they fill an economic necessity. Outside of agriculture, only one other area so far has felt this economic necessity and adopted the co-operative movement with any degree of warmth. This is the area of the corner druggist, grocer, and hardware dealer—the small retail merchant who has been forced almost to the wall by the cut-rate chain store. Many of these merchants have found that they could both stay in business and remain independent by forming wholesale-purchasing co-ops.

In other areas, however, attempts at co-operation have been something less than spectacular. The United Auto Workers union has tried to form consumer co-ops in competition with chain groceries, whose per-unit margins are often only a fraction of a cent. Even with a pre-established membership, the UAW's efforts have had only moderate success.

The FTC would also be expected to go into the various malpractices of co-ops. And out of its full report could come recommendations, not for any one law but for a whole series of corrective measures. Among these measures might be stipulations that a co-op

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Rep. Robert L. Doughton

must stay within the bounds of its original purpose, that co-op membership cannot be restricted in any way, and that reserves must be handled on the rotation principle, with old patronage refunds distributed as new refunds are placed in reserve.

But the most vital recommendation might be for revision of the antitrust Acts and state laws so that all co-ops, like the present exempt farmer co-ops, would be forced to treat members and nonmembers on the same patronage-refund basis, and so that all co-ops would be limited on their extra business for profit to a strictly nominal amount. Such a revision would require an all-inclusive definition of the co-op. Otherwise, many would beg off, claiming they are not co-ops but merely part-profit, part-nonprofit corporations. But if the definition remains true to the word "co-operative," it must surely remove any discrimination between patrons. —SEATON FAIRFIELD

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Whatever Became of The Dollar Gap?

When a foreign-aid expert tells you that there really is no such thing as the dollar gap, don't take him too seriously. He simply wants to warn you that the gap is as wide or as narrow as we wish to make it. It disappears the minute we start sending a dollar-short country only what it can pay for in dollars, without any U.S. help. On the other hand, when we decide to maintain a country's consumption standards at a certain level, we ourselves have determined the dollar gap.

When we say that since the war the dollar gap has been running at the annual rate of five to six billion dollars, we are merely using shorthand for saying that the world—mainly Europe—has received five to six billion dollars' worth of goods and services that it could not pay for. We are implying that if western Europe and the rest of the world had not received these goods, their free institutions might have collapsed.

The dollar gap is not, then, an independent magnitude that can be read off a tape measure. Nor is it a real entry in international bookkeeping, for if there were no dollar aid, U.S. exporters would sell correspondingly less and there would be no payments gap to be filled. Still, no matter how much

its meaning has been distorted, "dollar gap" remains the most descriptive term for a phenomenon that not only exists but has been our No. 1 economic headache.

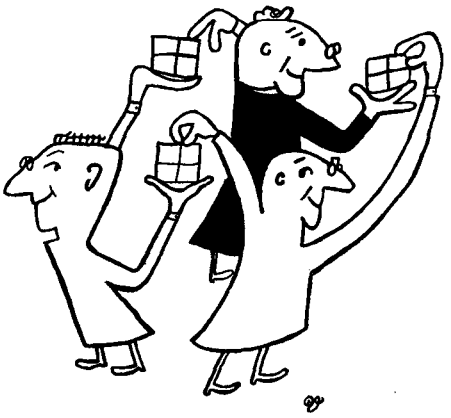
How has the fighting in Korea affected the gap? Before June 25, it was generally taken for granted that by 1952 Europe's economy would be greatly improved, though not quite enough to make further U.S. aid unnecessary. Now a school of thought has arisen which predicts that the problem is licked or about to be licked.

In trying to put Europe back on its feet, our approach has been fourfold: We have tried first to reduce Europe's dependence on the U.S. market, through restoration of productive capacity and increased trade within Europe and with other areas. We have encouraged our citizens to travel and spend money in Europe. Third, we have hoped to stimulate European exports to dollar-paying areas, and finally, we have tried to increase private U.S. investment in Europe and its dependencies.

In the first two efforts we have had marked success. In the last two we have had woefully little. We have permitted our exports to Europe to drop off by scaling down the amount of ECA aid as Europe increased its output of such things as steel, coal, chemicals, and foodstuffs. U.S. coal worth $573 million went to Europe in 1947; in the first quarter of 1950, Europe took only about half a million dollars' worth. We gave Europe merchant vessels valued at $334 million in 1947; now the transfer of ships has almost ceased. Today Europe is consuming not only a much smaller, but also a far more diversified, diet of dollar goods than it did even a year ago.

Lessened pressure on Europe's exchequers was expected to go hand in hand with a steadily mounting income from exports to the dollar countries. Here, our continued efforts have met with little result, except in the field of travel, which needed the least encouragement. But the biggest flop has been the failure of U.S. capital to flow into European investments.

Those who now see the dollar gap closing argue that our transition to a preparedness economy will have three immediate effects: We will increase our dollar outlay for raw materials throughout the western world. As American output of consumer goods



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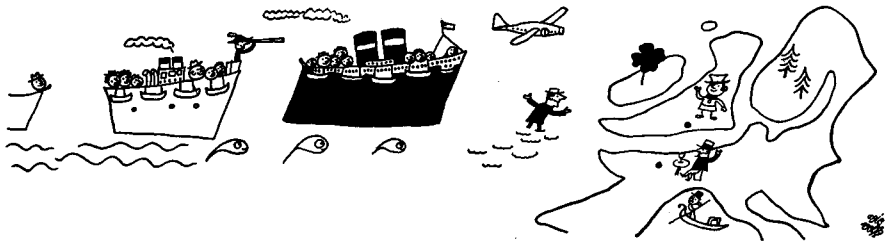


declines, Europe will be able to fill some of the emptying shelves. Finally, our factories will be so booked with defense and domestic orders generally that they will be unable to satisfy demand for U.S. goods from those areas of the world which will get the benefit of our growing dollar purchases.

These countries, the optimists argue, will turn to Europe, thus providing a profitable dollar market which in turn will enable Europe to pay its bills to the United States. Thus we can look forward once more to good old-fashioned triangular trade: United States to Europe, Europe to third markets, third markets to the United States.

At first glance, this reasoning looks sound, and it is not until we look at the implicit assumptions that the flaws begin to emerge. To start with, increased earnings of the third markets in Southeast Asia, Africa, and elsewhere will be based far more on higher raw-material prices than on increased volume of trade. The question therefore arises: How permanent are these changes likely to be? The answer is that they are likely to be with us for as long as we live in a preparedness economy.

In the second place, there is little doubt that the prices of what Europe buys (food and raw materials) will rise more than the prices of the finished goods that it sells. There are some exceptions: The price of wheat, for instance, is controlled through the International Wheat Agreement, and we might even decide to let Europe have some of our agricultural surpluses without any conditions attached. But on the whole Europe stands to lose in the general price scramble. To the extent that it does lose, its dollar goods will cost more in the future, wiping out some of the real gains made in the past two years.

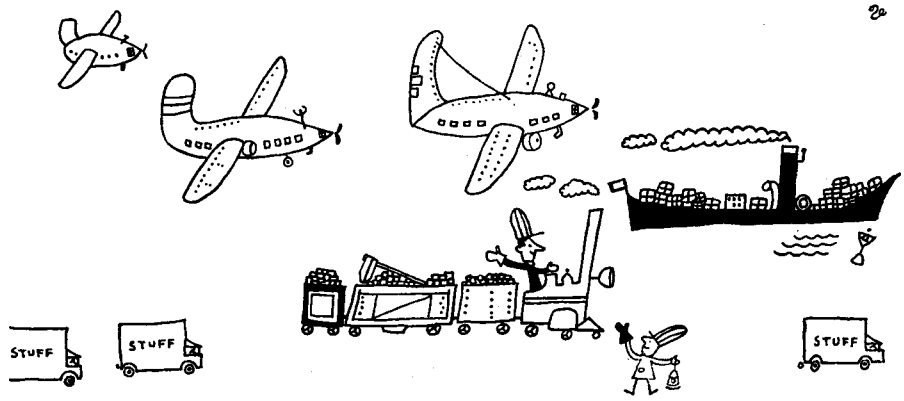
Third, we must chalk up a big "but" against the contention that Europe can sell commodities it has not hitherto sold in volume to the United States and to third markets. The inherent assumptions in this proposition are that Europe has now and will continue to have the capacity to produce and deliver these goods on the required scale, that the third markets would rather buy in Europe now than hold their dollar balances until they can once again obtain U.S. goods, and that U.S. producers will relinquish third markets without being subjected to stringent U.S. government regulations.

The first assumption is the most questionable of the three. If Europe is to launch a large-scale rearmament program, how can it at the same time become a large-scale supplier to the rest of the free world, except for a brief initial period during which the existing slack in some European economies is taken up? To expect Europe to perform this balancing act would mean to start it again on the road toward reduced living standards. The answer is that unless Europe's own rearmament effort is held to a minimum, the required export supplies will not be forthcoming. There need be no letup in the rate of British whisky or Dutch tulip-bulb exports, but there is every reason to assume that exports of industrial diamonds, metals, lumber, textiles, or chemicals, and, above all, shipments of industrial machinery, automotive equipment, and other finished goods would decline seriously.

There are other strong arguments against those who look for an early closing of the dollar gap. Europe's income from U.S. tourists, this year close to two-thirds the total value of its exports to this country, is bound to drop, unless our vacationers show much less concern than may reasonably be expected over the present state of world affairs. Foreign investments, a dismal chapter in the first two years of the Marshall Plan, are unlikely to derive any stimulus from the current hostilities—except a tendency to return home. Finally, it is well to remember that many of the prospective beneficiaries of our increased overseas spending are located in the sphere of acute East-West friction, especially in Asia. Their role in the looked-for triangular trade would end if they were drawn into civil or world war.

Even if we are willing to disregard all these factors, we still cannot get away from the conclusion that, unless we shoulder practically the entire rearmament burden, leaving Europe to earn dollars wherever it can—from our former customers and from the United States itself—there is no chance of closing the dollar gap. To assume that this "unless" can be translated into political reality is to assume the impossible. Such an attempt would run head-on into the large bloc of opinion which keeps tirelessly insisting that Europe is not doing its fair share in the fight against Communism. Furthermore, rational as such a division of responsibility might be, it would run counter to the political necessity that a common fight be accompanied by, and preferably based upon, common sacrifices.

Why, then, should we bother trying to work out a policy which would contain the promise of closing the dollar gap, especially as military-assistance



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funds have already dwarfed ECA funds and are likely to continue doing so? Why not scrap ECA and go on a straight military-assistance basis? This question is the important one to the taxpayer, for whom the whole matter is one of "Heads I win, tails you lose." Whether we kick through more on the military side and less on the ECA side of the ledger won't show on the check we make out next March 15.

The answer is that we must stop discussing arms aid and ECA assistance as though they were separate entities. As broad policies, both are designed to strengthen our allies. As a practical step, arms aid will not be all tanks and planes. Some of it will be raw material and machinery. To consider such aid separate from ECA assistance would at best involve us in a baffling attempt to co-ordinate policies evolved by different agencies and to trace the ultimate disposition of aid under the two headings. It is rumored that the group headed by Gordon Gray, which the President has charged with studying the dollar gap, will recommend that the Administration consolidate all of our aid programs. This will not necessarily imply that planes and tanks will be dispensed by an ECA-type agency, but it will certainly involve unified planning—a step in the right direction.

In pursuing such a policy, we would not only forget about closing the dollar gap, we would deliberately aim at widening it. The ECA—or its successor—would work out a program of rational utilization of the free world's combined resources, and administer the funds to run it. It would keep a voice in Europe's economic affairs and continue to back all unification efforts. Finally, it would keep a watchful eye on the expansion of triangular trade, and would endeavor to perpetuate such temporary changes as are caused by our defense spending.

Certainly, the world-wide current upswing in dollar earnings justifies a closer study of the third-market approach. Such a study should also enlighten those who inflate such gains into a full solution of the dollar-gap problem. These gains must be looked at as a good chance for injecting a larger percentage of dollars into the world economy through commercial transactions, rather than foreign-aid allocations. —HANS H. LANDSBERG

A Senate Afternoon: The Red Hunt

WASHINGTON, SEPTEMBER 13

The final afternoon of the Senate's debate on the McCarran-Mundt-Ferguson bill to curb domestic Communism produced one of the most jumbled and bewildering alignments ever seen on Capitol Hill. As most press reports had it, the major controversy had been raging over the Mundt-Ferguson provision requiring Communist and front organizations to register; Senator McCarran, Chairman of the Senate Judiciary Committee, had magnanimously incorporated it into his hodgepodge omnibus bill "To protect the United States against certain un-American and subversive activities . . ."

Knowing Senators McCarran, Mundt, and Ferguson, the canny reader might have suspected that the apparent mildness of the registration provision concealed hidden threats to civil liberties. But it was disconcerting to find such Senators as Douglas of Illinois and Humphrey of Minnesota attacking the provision because it was "ineffectual"; Senator Humphrey went so far as to call it "a cream-puff special." In its place they were urging the tough-sounding Kilgore plan for the detention of dangerous Communists in periods of emergency. But Senator McCarran and his cohorts were bitterly fighting this as "concentration-camp legislation," which would "violate Constitutional rights." From the outside, it looked as if a grim farce were being enacted: The Senators who usually championed civil liberties were talking tough; the tough Senators were talking civil liberties.

Then on Tuesday, September 12, the Senators voted. By that time the fight between the Mundt-Ferguson "registration" supporters and the Kilgore "detention-camp" supporters had been resolved by combining the two measures. The swollen omnibus bill passed by a vote of 70-7. Senators Douglas, Humphrey, and Morse were among the yeas. Two lame ducks (Senators Graham and Taylor), three last-termers (Senators Green, Leahy, and Murray), plus Senators Kefauver and Lehman (the latter is the only one of the seven who is up for re-election) voted nay.

Neither the daily newspaper reports nor the weekend summaries adequately revealed what went on that day in the Senate. Even such papers as the New York *Times* and the Washington *Post*, while editorially opposing the Mundt-Ferguson provisions and supporting the Kilgore substitute, failed to publish front-page stories that documented their editorials. Why, from the civil-liberties viewpoint, was a "detention-camp" bill more desirable than one requiring registration? How could two groups of Senators so bitterly at odds with each other resolve their differences by adopting both measures? Why did men like Humphrey and Douglas vote for a bill containing provisions they had strongly attacked?

The thread of the story is not difficult to trace. In March, Senators Mundt and Ferguson had dug up their old Communist-control bill and reentered it on the Senate calendar. It had come as no surprise to most Senators, since it had been knocking around in and out of committees for several years. In 1948, President Truman had announced that he would veto the bill if it came to him.

But Senators Mundt and Ferguson had made no effort to call it up for debate, and Democratic Senate leaders showed little concern. Truman had not asked for any new antisubversive legislation; the cases against the Communist Eleven and Judith Coplon were going successfully; no one thought the

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Senate would get around to debating the bill before midsummer adjournment.

The outbreak of war in Korea, which caused Congress to postpone adjournment, also brought a rapid change in its attitude toward anti-Communist legislation. Sensing this, Senator Mundt had made a surprise move to call up his bill in the afternoon of June 30, when four Senators were on the floor. Only Senator Douglas's presence of mind had staved off the move. During the following weeks, Senators Mundt and Ferguson rose again and again to channel the popular indignation against Communists and Communist sympathizers into support for their bill. By early August the White House saw that Congress was bent on passing something in the way of anti-Communist legislation before adjournment. On August 8, the President sent a message to Congress asking for revisions to tighten up the laws on espionage, registration of foreign agents, and security of national-defense installations. The main emphasis of the message, however, was a warning not to destroy civil liberties in a mad scramble to get at the Communists. "We must not," the President urged, "be swept away by a wave of hysteria." He indicated plainly that he thought Mundt-Ferguson type of legislation was a product of hysteria.

Senators Mundt and Ferguson countered the President's move by attempting to append their bill to the Defense Production Act, which was being hurried through Congress. They consented to withdraw it only when Senator McCarran promised to incorporate it into his bill, which was soon to be reported out of the Senate Judiciary Committee. By late August, Senate Democratic leaders recognized that the Mundt-Ferguson legislation had been so maneuvered that it was going to come before the Senate, and that the likelihood of passage was high.

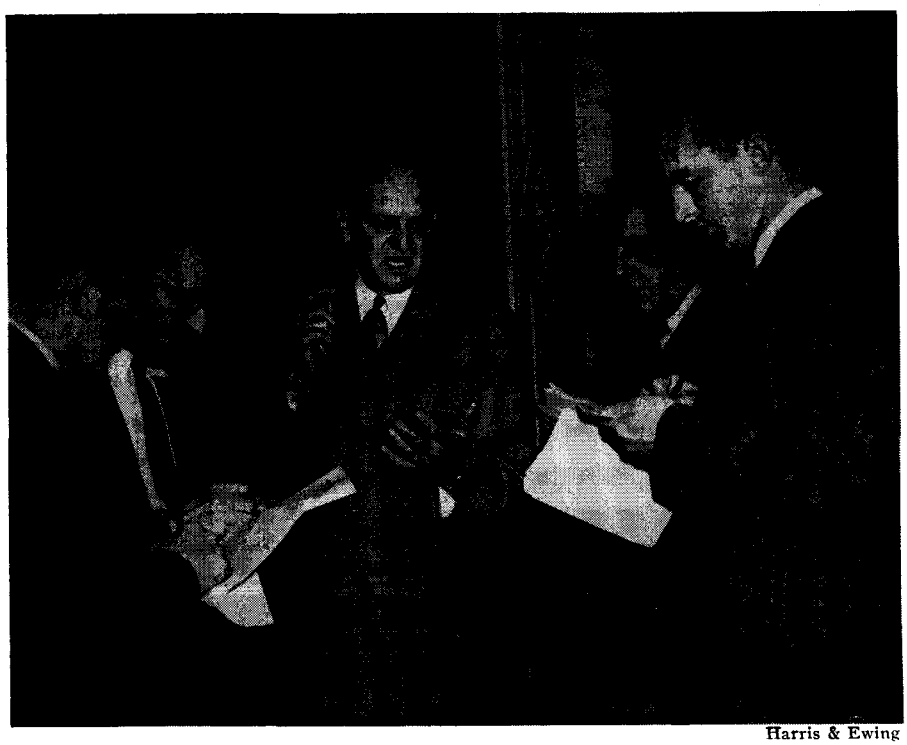
It was then that a small group of Democratic Senators turned wearily from work on the tax bill to devise a satisfactory counterproposal. The resulting Kilgore substitute contained two sections: One embodied the legislation requested by the President; the other provided for detention of persons in time of national emergency when there was "reasonable ground" to believe they would engage in espionage or sabotage. This latter took account of British Defence of the Realm Acts of the First and Second World Wars, and U.S. treatment of West Coast Japanese-Americans. It was checked with the Department of Justice, though it never received the specific approval of the President, who maintained that he had requested all the legislation needed.

The Kilgore substitute was drastic legislation, admittedly. Its proponents argued, however, that it was no more drastic than the measures which the President would be forced to take by means of executive order in the event of national emergency. At least it provided procedural safeguards for persons so detained; "emergency" was defined; the measure would lapse in three years unless renewed by Congress. Most important, it was designed to prevent *acts* of espionage and sabotage by the hard core of the Communist underground (estimated by the FBI to number some twelve thousand out of approximately fifty thousand Communists under surveillance), whereas the Mundt-Ferguson legislation was directed at the *thoughts* and *utterances* of the above-ground Communist and Communist-front organizations.

From the point of view of Senate strategy, the Kilgore substitute's chief virtue lay in the fact that it was a piece of anti-Communist legislation which seemed on its face to be much stiffer than Mundt's and Ferguson's. The Kilgore proponents had shaped the floor fight accordingly. In a five-hour speech the afternoon of September 8, Senator Douglas had argued that the Mundt-Ferguson registration requirements would take four to eight years of litigation to enforce, would disrupt the operations of the Justice Departments, and would drive the dangerous Communists into "deeper and more elusive bombproof shelters."

Senator Humphrey had chimed in that it was a "hoax and a fraud." "It is a sort of political opium to put the American people into a sort of swoon," he said. Senators Graham, Kefauver, and Lehman, on the other hand, had devoted the bulk of their arguments to the threats to freedom tucked away in the omnibus bill. They, too, had supported the Kilgore substitute.

The Kilgore proponents never really believed that their substitute would succeed. They had hoped, however, to muster a large enough bloc for it—and against the Mundt-Ferguson section—to make a veto of the McCarran bill stick. Administration supporters would



Harris & Ewing

Sen. Scott Lucas of Illinois (center) meets the press

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be able to tell the voters this fall that the Mundt crowd had only wished to embarrass Mr. Truman, and had deliberately rejected an anti-Communist law with teeth in it.

A few minutes before debate began on the afternoon of September 12, Senator Lucas, the majority leader, approached the Kilgore-substitute sponsors and asked if he might introduce the "detention-camp" section as a substitute amendment. Senator Kilgore and his colleagues readily agreed, believing that the majority leader would pick up several more votes for it. Shortly after debate began, Senator Lucas rose and offered the amendment. With the heat of a warm November election beating down on him, Lucas seemed to delight in building up the toughness of the Kilgore bill. "I have taken the position that the McCarran anti-Communist bill now before the Senate does not go far enough," he argued. "When we are dealing with a Communist group such as the one we know exists in this country . . . there is nothing too drastic . . ."

Senator Ferguson was thrown on the defensive. "If we pass the so-called Kilgore detention-camp bill today," he shouted furiously, "it will be the first blueprint of dictatorship in America." Then he added lamely, "Every person in this body knows I am not soft toward Communists."

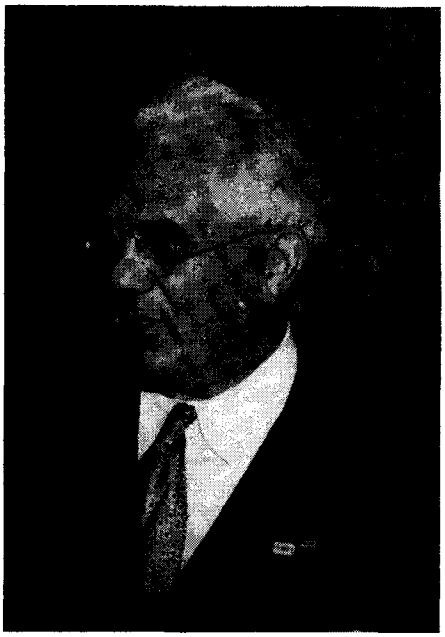
The vote was taken. Twenty-nine Senators, numbering most of the Administration stalwarts, supported the Kilgore-Douglas-Lucas amendment. Forty-five Senators were opposed. The affirmative vote was substantial enough to make upholding of a Presidential veto of the final McCarran bill seem possible, and the Kilgore proponents were elated.

But immediately, Senator Lucas got to his feet gain. He wished, he said, to offer the same detention provision to be appended to the McCarran bill rather than a substitution. The Kilgore sponsors were stunned. They had received no advance warning of Lucas's intention. If this motion succeeded, they would be forced into the position of voting for the Mundt-Ferguson features they detested in order to gain the Kilgore detention features they desired.

The Mundt-McCarran forces were caught off guard, too. Apparently they had never considered the possibility of cannibalizing the Kilgore bill; their first reaction was one of fright. "In God's name," Senator McCarran pleaded, "stop a moment, as Americans, and pause, before writing into this bill something that is sure to result in a veto, or the first time it comes into a court it will be turned down as contrary to the organic law."

Harris & Ewing

Sen. Karl Mundt of South Dakota



Harris & Ewing

Sen. Homer Ferguson of Michigan

By the unanimous-consent rule, only fifteen minutes were allowed for debate on the amendment. During that time the Kilgore proponents decided they had to go along with the majority leader. Only seventy-four-year-old Senator Murray, long a battler for civil liberties, switched to oppose him. Six freewheeling Southern Democrats came to his support. The vote was 35-37, with Senators McCarran, Mundt, and their adherents still solidly opposed.

The Kilgore group decided that Lucas had been very clever; it had been a risky venture, but now they had just what they wanted. The conservative Democrat-Republican forces had shown by this vote that they did not wish to give the Administration a workable anti-Communist bill.

Senator Lucas, however, was still playing a lone hand. While Senator Tydings, who had been absent during the vote, hurried in to ask for reconsideration, Lucas sent calls to Senators Johnson of Colorado and Myers of Pennsylvania, who were out of the city, to fly back immediately for the reconsideration vote. Senator Lucas acted like a man who believed the future of the Administration depended on passing the McCarran bill with the Kilgore provisions appended.

Most of the Kilgore proponents felt quite differently when they learned what Lucas was up to. After forcing another vote on the Kilgore measure as a substitute for the entire McCarran bill (they lost 50-23), some of them retired from the Senate Chamber to figure out what to do next. They hoped that the reconsideration vote might fail in their absence. But when word came out that the McCarran forces had reached an agreement with Lucas and reconsideration had been accepted by a voice vote, they knew they were on the spot. "Those two hours we spent before the final vote were the toughest in my whole life," one Senator commented bitterly a few days later. "I wished I had never seen the United States Senate. Sure, my vote for the bill was probably the smartest political vote I've ever cast." He shrugged his shoulders. "Still, I haven't been able to sleep very well since then."

The Mundt-McCarran forces hadn't taken much of the afternoon to figure out what was smart politics. They had nothing to lose by accepting the Lucas amendment. And they would put the President on the hottest political spot

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of the year. When time came for reconsideration, Senator McCarran rose to suggest that he was willing to go along with Senator Lucas provided Lucas accepted a few small changes which would make the amendment "Constitutional." Quickly, in a low voice inaudible to most of the Senators, McCarran read out the "Constitutionalizing" changes.

There was little debate. Only Senator Lehman rose to attack the deal that had been made. "There are many citizens of my state and elsewhere who mistakenly understand—they have been so told—that the McCarran bill is an anti-Communist bill," he said. "I will not betray the people of my state in order to cater to the mistaken impression which some of them hold. . . . I am going to vote against this tragic, this unfortunate, this ill-conceived legislation. My conscience will be easier though I realize my political prospects may be more difficult. I shall cast my vote to protect the liberties of our people."

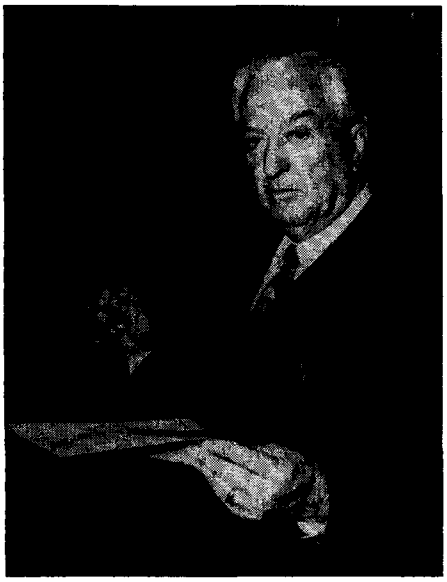
Senator Mundt was positively beaming over the turn of events. He pointed out that the Senate now had opportunity to vote on the full text of the Mundt-Ferguson bill "unchanged, unmodified, and unamended." He added graciously that there were also many of the sections recommended by Senator McCarran and the "salutary and worth-while" amendment of Senator Lucas. "Certainly," he said, "I hope and believe that the President of the United States will sign it because it carries with it an important amendment of which the majority leader of the Senate is at least a joint author." He added ominously, "Should the President veto the measure, I believe the final vote will show strength enough to override it."

Shortly after that, voting began. Of the Kilgore proponents, Senators Anderson, Benton, Douglas, Humphrey, Kilgore, McMahon, Magnuson, and Myers decided to vote for the bill. Senators Kefauver, Lehman, and Graham refused to switch.

Straight narration does not explain adequately how it was that seventy Senators voted for a bill containing provisions which the President and many leading newspapers have repeatedly decried as seriously threatening our civil liberties. The facts on which to make that assessment are there, however.

First in importance is the hysterical mood prevailing in Congress, which in turn reflects the hysteria of large organized segments of the population. It is like an earlier day when an exasperated Congressman rose in the House of Representatives to declare, "Mr. Speaker, any piece of legislation aimed at the deportation of Harry Bridges would pass through this body like a dose of salts." When the people are hysterical, when elections are close at hand, Senators sometimes forget that they are legal craftsmen as well as representatives. Surprisingly little attention was paid to whether or not the McCarran bill would really do what it is supposed to do—reduce the threat from Communists. During Senator Douglas's able speech on this point, most McCarran supporters absented themselves from the Senate floor.

Second, the Senate, which has been called "the greatest deliberative body in the world" has certain structural



Harris & Ewing

Sen. Pat McCarran of Nevada

weaknesses which show up worst when pressure is great: Notably, the unanimous-consent agreement to vote, which is simply a device by the Senators to end debate on a measure, works to the detriment of reasoned deliberation. Once it comes into effect, the Senate, like a huge machine, must churn through complicated amendments and substitutes with only a few minutes' debate allowed to each. If, somewhere along the way, a tricky or confused amendment is enacted, no power in heaven or on earth can cause postponement until the following day. This speed-up process may be even more dangerous than the slowdown process of the filibuster; in the latter, at any rate, things don't get done. With a less-hasty debate, a number of Senators might have voted differently on the McCarran bill.

Third, an important factor in the Administration's defeat—it must be considered that—was the Administration's own failure in planning. Some time back, the White House and Congressional leaders should have foreseen the necessity of devising legislation to forestall the Mundt-Ferguson assault. Overpressure of work is an excuse; but overpressure of work is not an excuse that will stand up in history.

Fourth, Senators like Douglas and Humphrey were outsmarted in their attempt to outsmart the Mundt-Ferguson group. By concentrating on the "ineffectiveness" of the Mundt-Ferguson measures rather than their intrinsic wrongness, these Senators maneuvered themselves out onto a limb and were quite readily chopped off by Senator Lucas.

Finally, a disaster of this magnitude must have its villain. Scott Lucas, majority leader of the Senate, fills the role handsomely. Beneath the surface of the Senate's machinations—seemingly so confused to the outsider yet quite orderly to the participant—Senator Lucas crossed up both the President and his colleagues. He took the amendment which others had drafted and used it to force them to vote for a bill repugnant to them. He presented the President with a well-nigh veto-proof bill. Undoubtedly he pleads expediency as his reason. "Scott Lucas would join the Republicans if he thought it expedient," one angry observer commented.

By the time this magazine reaches the newsstands, the final bill will have been reported out of House-Senate conference, submitted to the President, shot back with a stiff veto message, and enacted over the veto. The McCarran-Mundt-Ferguson bill to "get" Communists will have become the law of the land, and the only dubious thing is—whom will it get?

—Douglass Cater

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Communist Tactics—Phony and Real

(This article was written by a Frenchman who has had considerable experience combating domestic Communists.)

An important aspect of classic warfare consists in foreseeing the enemy's intentions.

In the world-wide civil war in which we are now engaged—at every level from the economic, the political, the technical, to the sociological and the psychological—it is even more important to foresee the enemy's intentions.

In this matter, at least, the western democracies have one fortuitous advantage: The secret of their own intentions is protected by a certain mobility (some would call it incoherence) in the line of their policy. Because the governments of the West must take public opinion into account, and because public opinion in the democracies is fluid and inconstant, our Soviet adversary is quite unable to foresee with any certainty what the West's reaction will be in any given circumstance.

The line of Soviet policy must always be subordinate to the permanent calculations of Communist long-range purpose; it must fit a reasoned and therefore consistent plan. This makes it a great deal easier for the western observer to reconstruct the whole mechanism from a study of the parts.

One of the strategical advantages of the democracies should be this possibility of understanding and predicting Soviet action by means of a meticulous analysis of the "constants"—Soviet methods and aims—as they stand in relation to the "variables"—the day-by-day situation and the opportunities it offers the Soviets, much as the weather bureau can predict the weather over Paris because it knows what the weather is between the Azores and Greenland.

The Soviets view politics as applied sociology; dealing with nations, they employ the methods of positive and experimental science. They have studied primitive instinctive mass reaction; they count on the presence of these instincts, and play upon them to further their unchanging purpose.

They are past masters in camouflage and trickery. Like the conjurer who distracts the audience's attention from his hands at precisely the right moment, the Soviets know how to use ambiguity, duplicity, and confusion; they know how to fix the world's attention on some unessential point. Then they hasten unobserved along some hidden route and suddenly turn up in a cabinet the audience had thought empty.

The central principle governing their technique is simple: It is to make people believe in what is not and to keep them from looking at what is.

Diversion

When the Communist Parties shout at the top of their lungs, "We are the real fifth column!" anyone who has ever had anything to do with Russian politics or Russian police will think immediately: "If they say this, they want us to believe it; if they want us to believe it, it is to their interest that we should. They want us to make mistakes. Consequently, if they say they are the fifth column, this cannot be the truth—or at least not the whole truth."

An expert on Russian affairs will reason: "If the C.P. proclaims itself the fifth column, it is not the fifth column, or, at least, not the *whole* fifth column. So let us not look for the fifth column only within the Communist Party; let us look for it in other places, too, especially unlikely places—for instance, where there are men making a great show of anti-Communism." That is where a fifth column can hide and work most effectively to disorganize the struggle for freedom under cover of patriotism. It can use the classical methods of provocation; it can create doubt and confusion in the minds of those who fight for freedom; it can sabotage their struggle against enemy agents by insisting on greater and greater excesses; it can discredit the precautionary measures the democracies take by endlessly saying that nothing that is done goes far enough, that everything is futile and ineffective, that you need to be ruthless. That is how a fifth column works to install fascism—Stalin's favorite enemy, and also his favorite acomplice.

The Communist Parties in the West are a part—but only a part—of the Soviet's apparatus for intelligence, infiltration, and action.

What role are they assigned? In the war we are fighting today, they are the guerrillas—that is to say, expendables—abandoned to their fate far behind the enemy lines.

Guerrillas have never played a major role in the strategy or conduct of any war. They take no part in general-staff decisions; they haven't even the most general idea of the broader strategic plan. They fight when they are told to, hide when they are told to, show themselves when they are told to, and die when they are told that they must be killed. Theirs is not a central role; they know nothing about the ultimate stakes of the game.

Moreover, the war is not fought for the benefit of the guerrillas. The guerrilla is only a means; he must accept the fact that the war, the essential action of the war, is taking place out-

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side and above him, and that he must not even seek to understand. If certain Communists entertain the illusion that the Kremlin is carrying out a world-wide struggle to satisfy the war aims of the Communist Parties—that it intends, for instance, to inaugurate Communist societies for local Communists to govern, such Communists are terribly mistaken.

Hypothesis

One of the miseries guerrillas have to endure is the fact that if the high command deems it strategically advantageous to do so, it may sell them out.

The day may come when Stalin—yielding to western pressure, needing, perhaps, to gain time—might, without the slightest qualm, abandon the western Communist Parties to local repression, and thus appear to give up all fifth-column activities.

The trick works every time the Kremlin succeeds in fixing the entire attention of its adversary on the existence of the western Communist Parties. Stalin has always been able to gain time by using it, for his adversaries have always made the same mistakes; they have identified the fifth column exclusively with the Communist Parties and have believed that when Stalin abandoned various groups of Communists he was giving up the struggle. But Stalin, like the Chinese war lords, was only selling out his guerrillas for a price—paid on some other political level—which he considered advantageous.

Most members of the western Communist Parties have never realized that they are merely sacrificial troops. When they do, some step back aghast; some of them actually leave the party. Such cases occurred at the time of the Soviet-German Pact of 1939, for it was far from easy to explain that maneuver to all western Communists.

Western Communists, generally speaking, are not well adapted to the role of expendables. They think too much, have too great a political faith, are too sincere and too ambitious. Their reflexes are not sufficiently automatic; they lack a true spirit of abnegation; their faith in Stalin is not quite blind enough. Also, they often are intellectuals and bourgeois.

In consequence, the Kremlin has supreme contempt for the "heirs of the French Revolution," for Thorez and Duclos. Only a handful of men in the French C.P. have forsworn their past, their socialist and revolutionary faith, their love of freedom and equality, to a degree sufficient to make them reliable instruments for the Kremlin.

Given the twists and turns of Soviet strategy, all the sudden shifts that are so difficult to explain to the Communist lower ranks, the Soviet war leaders do not want to be encumbered by troops that might not be dependable at a crucial moment.

A Wolf Must Stay Thin

Since V-E Day, the western Communist Parties have grown very fat. They have admitted huge numbers of members—intellectuals, peasants, government employees. The party leaders have become accustomed to a life that is far from clandestine; they sleep in their own beds, eat regular meals, often own automobiles—and they go off on vacations. They have become deplorably bourgeois.

What would happen if a sudden shift in Soviet policy were to shake the faith of the Communist "believers" at the same time that repressive governmental action (perhaps caused by and linked to the Soviet decision) frightened and dispersed the faithful?

The Communist "tough core," the "old guard," would then be isolated from its mass support, without which the C.P. would lose eighty per cent of its effectiveness. The tough core would no longer be surrounded by sympathizers whose presence is indispensable to underground action. This was evident in the Resistance: The movement reached real effectiveness only after the French people—even if passively and without taking open risks—had surrounded the men of action with a protective climate of sympathy.

There can be no doubt that it would be to the Kremlin's advantage if the Communist Parties in western Europe were subjected to repressive action at once. Such repression would help the Kremlin rid these parties of all sympathizers who in any case would vanish when the going got rough. Only the tough core would remain. It would put an end to the bourgeois life now enjoyed by the party leaders, and would oblige them to renounce the bad habit of living like decent citizens, who take care of their children, carry an identity card in their real name, and have nothing to fear from the police.

Moreover, the Kremlin would be spared the appearance of "deviationists." Repression would make future deviationists present martyrs to the true faith—the best possible use to which one can put future deviationists. It would provoke a clear break between the government and an important section of mass opinion; it would give the Communist Party a monopoly on the opposition forces of the Left.

Finally, repression would demonstrate to the Soviet peoples that everything that is not Soviet is fascist, and is likewise intolerant of all that is called the opinion of the Left.

Therefore it is certain that the Soviets would like the capitalist nations to take immediate and severe measures against the Communist Parties.

This is not sufficient reason not to suppress them. Sometimes you can go exactly where the enemy wants you to go—but when you do, you must look out for land mines.

Repression can be decided upon and it can be applied and still not coincide with or help the Soviet purposes. It is entirely a question of choosing the right moment, using the right method. In France, for instance, repressive action would be more effective and better understood if it were taken *after* the elections had shown a Communist loss in parliamentary representation. The Communist Party would rather have repression *before* elections took place. Repression would explain away the coming electoral defeat.

On the other hand, repression should not be applied indiscriminately against all members of the Communist Party; it should strike those who act directly on behalf of the Soviets.

Repression is easy, too easy; it is a diabolical temptation. What is difficult and extraordinarily important is to determine the method of repression, to make it subtle and selective. Only

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the innocent and the ignorant were surprised at the facility with which the Nazis destroyed the German Communist Party when Hitler came to power. The fact is that a mechanism as complicated as that of the Communist Party is, apart from certain specialized underground networks, extremely sensitive to repressive action, if such action is resolutely pursued and backed by popular opinion.

But it should not be thought—though unfortunately it generally is—that by outlawing the Communist Party you automatically suppress it, or, by suppressing it, you automatically kill the fifth column. Ill-advised, badly managed repression can bring the opposite results. There are kinds of repressive action that strengthen the Communist Party and the fifth column.

Toros y Toreros

When a matador kills a bull, he drives his sword straight between the shoulder blades; in order to do this he must lie prone, literally, over the bull's right horn; he would inevitably be gored if, at the moment his right hand drives in the sword, he did not turn the bull's head by showing it the muleta, a stick with a piece of red cloth, on the left.

The matador holds the sword in one hand, the muleta in the other. If bulls, instead of plunging at the red cloth, attacked the man, there would by now be no more bullfights because there would be no more bullfighters.

It is this imbecile consistency of the bull that permits the survival of this noble art. It is the bull's stupid automatism which permits the torero to march in triumph out of the arena while four mules harnessed in jingling bells drag out the murdered bull.

I would consider it highly unfortunate if we were to behave as the bull does when people wave a red rag under our noses, shouting, "Look how red it is!" I think it advisable not to plunge forward without looking around very carefully, without knowing what hand presents us with the muleta, and what voice calls us to act.

Then when the time comes to charge, let us make sure that we charge the man and not the bit of cloth.

—Henri Marche

European Report:

The political risks of rearmament.
Jitters over 'preventive war' talk.
Dr. Schacht—and his policies—live on.
Churchmen and appeasement of Russia.

October, traditionally, is the month in which Europe turns back to political activity after the somnolence of the summer holidays. In October the parliaments go back to work; it is then that decisions taken during the summer months in Paris, Rome, or Bonn have to be brought before the legislators for ratification. This year the international situation changed radically during the holidays; in consequence, entirely new internal problems have arisen for the western democracies.

Throughout the summer the governments took stopgap measures, since the parliaments were not in session. Now, in all the parliaments of western Europe, the fundamental issue must be debated: What policy should be adopted to deal with the Soviet threat, and what sacrifices must be accepted to implement this policy?

Every country of western Europe is threatened on two fronts—across its frontiers it faces the Soviet armed forces; within its own boundaries, it faces its Communist Party. It is useless to win on one front if you lose on the other; victory must be on both—or there is no victory at all.

The Korean aggression suggests, and more than suggests, that the governments of Europe made a grave error by bringing all their efforts to bear on the political front by concentrating on social and economic measures, while totally neglecting the military front. As a result of this one-sided emphasis Europe's situation is as follows:

The danger from Communists operating within the western European nations is not great. Communist influence is at a low ebb, because the Korean aggression has brought fear and mistrust of Stalin to the masses, and also because five years' work and the Marshall Plan have created a relatively prosperous European economy in 1950.

On the other hand, the military danger is great indeed, for the defense apparatus of Europe hardly exists. If the Soviet forces attacked today, western Europe would have no more than eight divisions with which to oppose them.

So there you have it: a fairly stable political front, and no military front at all. Urged on and inspired by the United States, Europe is now engaged in an effort to fill this military vacuum as rapidly as possible. The plan is to have fifty divisions between the Elbe and the Atlantic before a year has passed. With fifty divisions at combat strength, Europe will have the material strength with which to oppose a general Soviet invasion. But that material strength obviously must be matched by the political will to fight.

Today the European Communist Parties have no particular potentialities for action. Within the last two months the French government has taken measures which could hardly be more distasteful to Maurice Thorez and other French Communist leaders. The Communists have had to watch American war matériel being unloaded twice every week in French ports, they have seen the period for military service extended from twelve to eighteen months, and the police have been busy arresting all foreign Communists suspected of liaison with the Soviets. On each occasion the Communist leaders have made violent speeches and written violent articles calling on the workers to strike and riot. The workers have neither gone on strike nor rioted, for Korea has raised suspicion of Stalin to a maximum just at a time when the hardship inherent in the life of the worker has been reduced to a mini-

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mum. As a result, the Communist leaders can exert little influence.

There is a very great danger that within one year this situation may be entirely reversed. For today the cost of the new rearmament program has not yet begun to be felt by the people who have to pay for it. The cost and the plans are still abstractions, the armored divisions are still abstractions, and so is the deficit in the budget. The average citizen has not yet seen the price of shoes or transportation or cigarettes go up one hundred per cent; he has not yet had to fill out the income-tax blank on which he will have to put down in cold figures the bill—his own personal bill—for rearmament. Today he agrees with all the plans, because he is frightened, and because he has not yet been called upon to pay. But how will he react in six months? All will depend on whether the governments of Europe can keep the necessary sacrifices within reasonable limits—which requires governments capable of controlling the national economies—and whether they can distribute the burden of payment fairly among the various social classes—which requires governments capable of enforcing respect for social justice.

But a mere glance at the present governments of western Europe shows that there is hardly one capable, under existing circumstances, of carrying out such a policy successfully. In Rome, in Brussels, in Bonn, the governments in power are politically reactionary and economically liberal, and they have created, or are creating, a united labor front against them. In Paris, matters are no better. Already, thanks to the inauguration of a war economy, the industrialists are beginning to increase their profits by twenty-five to thirty per cent. Meanwhile the government has frozen wages. The nation has been asked to tighten its belt, but you do not wear a belt with a dinner jacket, and it is the French working class that will almost exclusively feel the economic restrictions made necessary by rearmament. A policy which brings about such a situation plays directly into Communist hands.

In a year, that is, by October, 1951, we may have a well-equipped European army—and European governments incapable of making effective use of it. For the governments by then may have lost the support of the masses; the countries they govern by then may be divided within themselves. If such a moment comes, Europe could be conquered from within, whereas today the U.S.S.R. would have to launch a world war before it could hope to set up Communist governments in Paris or in Bonn.

Thus the sure way to catastrophe would be for America to force Europe into exclusive preoccupation with rearmament at the expense of all social considerations.

To turn Europe into a vast armed fortress without bothering about political consequences means very simply to risk losing Europe altogether along about October, 1951.

Wide World

Maurice Thorez

'Preventive War'

The question of "preventive war," about which no one, or practically no one, even talked three months or so ago, has become, within a few weeks, a subject for anxious discussion in all European political circles. To understand why this problem is taken so seriously in Europe, one must first realize that the term "preventive war" does not apply at all to the present situation. Preventive war is usually understood as defining a decision made by a government to plunge a world at peace into war by a sudden and total attack upon a given enemy. Now if the problem were as elementary as that, no responsible European would take this talk of preventive war very seriously. For no one but a Soviet propagandist could conceive of America as capable of taking such action. America would never have recourse to preventive war in its classical meaning.

But that is not the problem. The term "preventive war" is, at the present moment, meaningless. For there is no world at peace which can be thrown into a state of war. There is a world already subjected to a degree of war which can be plunged into a different degree of war.

The real debate—masked by an inaccurate terminology—is that of choosing between two forms of war. We can continue for years to fight the Soviets as we are fighting them now, at points along the frontier between the Soviet world and ours. On the other hand, we can decide that this civil war, if carried on too long, will mean the death of the western democracies and that the only chance of survival lies in using all available military force to strike directly and soon against the Soviet Union itself. That decision means total war.

Seen in this light, the problem is no longer so simple; obviously it is a very grave one. For a moment may come

Wide World

Jules Moch

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Wide World

Hjalmar Schacht

when Europe and the United States can no longer agree on the decision to take. Under the circumstances any moral discusion is irrelevant. When men are already being killed in great numbers in one way or another, one cannot see morality as a determining factor. The problem will be solved by instinct; by an instinctive judgment of effectiveness. At the level of instinct and that of effectiveness, it is greatly to be feared that the American and European points of view are far apart.

The peoples of Europe fear total war as they do death itself. Their instinct and their reason both show them that, in all probability, a Third World War would mean the death of Europe, whoever the "victor" might be. They prefer any solution that prolongs the civil war and postpones total war.

The trouble is that in fighting this world civil war it is the American people who will continue to pay the most in men and money. Korea is proof of that, and there may be more and more Koreas. It is entirely conceivable that a time may come when many Americans may judge total war preferable to civil war—and decide that total war presents the only chance of survival.

This is the question that dominates all other problems of foreign policy. The nations of the West have been unanimous in their declarations of principle: They stand united against Stalinism and they are determined to protect their freedom. But the real test is yet to come. The real test for a foreign policy does not consist in agreement on a common purpose, but in the choice of means by which that purpose is to be pursued.

Already it is evident that this problem of the choice of means dominates all others, in every capital of Europe.

In Paris, Jules Moch, Minister of Defense, announcing the extension of the period of military service, felt obliged to declare solemnly that "France, while resolved to defend French territory, will not take part in any offensive war." This ambiguous statement can be interpreted in many ways; obviously it was made to appease a troubled public opinion. That is why the French press gave it huge headlines.

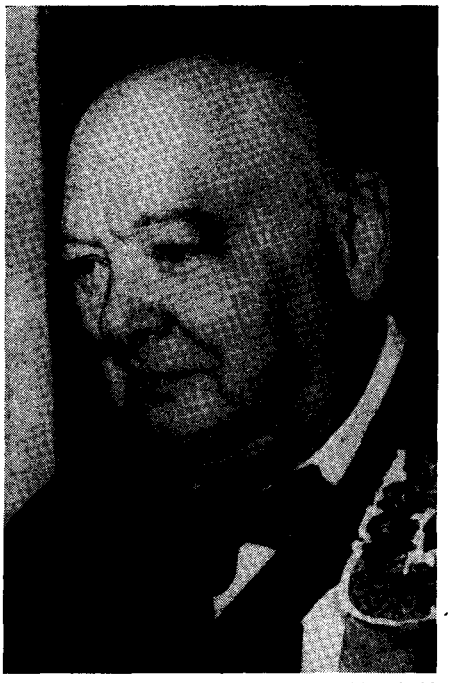
In Bonn, the German leaders have given a pledge that the new German Army that they want to form will never fight except on the German frontier to defend the German land. Their declarations are quite enough to show that German public opinion is far from accepting the principle of integration within an Atlantic military system. Germany fears involvement in adventures, for the German people know they are in the front line and in case of war would be the first victims.

In London, even Winston Churchill recently declared that there were two uncontrollable elements that we must guard against: the unpredictable plans of the Kremlin on one hand, and America's anger on the other—for America has a heavy burden to carry and no one can be sure of its temper. Here once again, and this time in the words of a great friend of the United States, Europe is expressing its fear that America some day may choose to pass from the world civil war into total war.

If that day should ever come, no one can tell whether or not Europe will support America in battle.

Dr. Schacht Revived

By a curious and symptomatic coincidence, Dr. Schacht, the head of Hitler's war economy, has been acquitted by the Lüneberg denazification court, at the precise moment when, in every capital of western Europe, the



Wide World

Winston Churchill

Finance Ministers and their experts are deep in a study of the old "Schacht experiment" of the 1930's in order to discover whether it can be used to meet the needs of rearmament.

The financial problem facing the French government—just to take one example—is overwhelming. The deficit foreseen for the coming year amounts to some $1.5 billion, without counting the increase in the military budget that will probably result from the September meeting of the Big Three in New York. The French will have to expect a deficit amounting to a third of their total budget.

The financial problem is so great that it endangers the whole economy of the nation. But if that problem is not solved, the French Communist Party will get more new members during the coming year than it has been able to recruit in all the last three. What solutions are being considered by the French government?

The first is a simple one: government borrowing and taxation. For a capitalist society, this is the classical free-enterprise solution. But two wars have thrown Europe's capitalist machine so out of kilter that it is no longer any solution at all. The government cannot hope to borrow because the public will not buy its bonds. Last year more than half of a government issue

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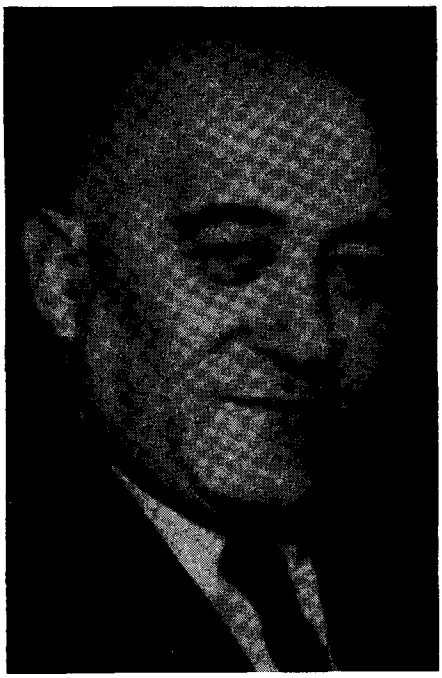


Wide World

Mátyás Rákosi

had to be absorbed by the banks—on government orders. Since the public no longer has any faith in the stability of the franc, it no longer puts money aside with which to purchase government bonds. As for taxes, on paper they are already far too heavy for the nation's economy; in practice they are not heavy enough, since the privileged classes habitually cheat the government.

A second solution consists in trying a new "Schacht experiment" for the distribution of raw materials, price-and-wage controls, and government priming of industry. But such machinery cannot be used unless there is a state-controlled economy. This is not the case in western Europe, where all the continental nations, after a period of intensive state planning that lasted a few years after the war, have now returned to economies based on free enterprise and competition.

Thus there exists a paradoxical state of affairs in which capitalist societies have created governments that are powerless to use orthodox capitalist methods. These governments would very much like to use methods of state socialism, but they are prevented from doing so because of their own conservative nature.

The financial problem lays bare a deeper one: After the war Europe expected a social revolution. That revolution failed. It is only now that we see what that failure meant. Victory failed to set in motion any profound social upheaval. Perhaps an external threat to Europe will accomplish what victory failed to achieve.

The Church and Munich

Will the official influence of the Church, and the churches, in Europe tend to seek a "Munich" with Stalinism, or will it, on the contrary, support a bitter struggle to the finish?

In the past month two incidents have given weight to the arguments of those who say that the official churches, Protestant as well as Catholic, are more inclined to favor another Munich rather than a war.

The first of these incidents is the concordat signed by the Bench of Bishops, represented by Archbishop Gross, and Mátyás Rákosi's Hungarian Communist Government. This concordat shows that in Hungary the Catholic Church has capitulated. In the terms of the document, the Hungarian bishops pledge themselves to "take part in the great work done by the Hungarian people in carrying out the five-year plan and raising the standard of living." Furthermore, the Bishops have agreed to accept the text of the Stockholm "Peace" Appeal and to distribute it.

Thus, just one year after the scandalous Budapest trial in which Cardinal Mindszenty was convicted, the Communist government has won a complete victory, and the Catholic Church has capitulated.

The event is so serious, its consequences so important, that for two months now the Vatican has refused to make any comment on it at all. Hardly anyone dares mention it in the Paris or Rome press.

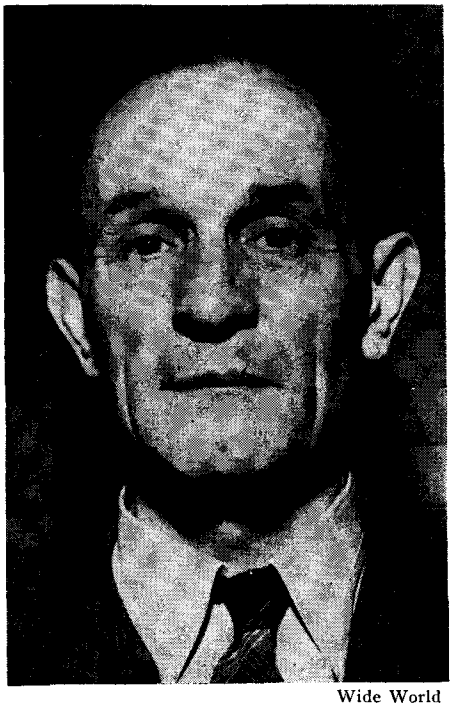
What makes it all the more disturbing is that this act of appeasement followed close upon a meeting of the Council of French Bishops which took place in June, when the French Bishops endorsed the Stockholm Appeal. At the time their action seemed unrelated to anything else; it was surprising and unfortunate; but it is far more unfortunate, far more serious, now that it can be seen as a forerunner of the Hungarian disaster.

The second of the two events was the Cabinet crisis in the Bonn Government. A few weeks ago Chancellor Adenauer officially brought Germany into the Atlantic coalition and asked for a German Army to defend Germany against the Soviet threat. Shortly afterward, Gustav Heinemann, German Federal Minister of the Interior, handed in his resignation to Adenauer —who did not accept it. The real reason for this resignation was fundamental disagreement between Adenauer and Heinemann on the policy Germany should follow with regard to the Atlantic coalition. Heinemann wanted Germany neutral between the two blocs.

What makes his position in the matter one of great importance is the fact that Heinemann is one of the most influential members of the Council of German Protestant Churches and represents them in the Adenauer Government. Pastor Niemöller, the famous Protestant leader, also wants a neutral Germany and a united one. If you put the Heinemann and the Niemöller cases together, it would appear likely that the influence of the German Protestant Churches is being brought to bear in support of appeasement.

The Christian mind of Europe, facing a possible war, has never, in all the history of our times, been prey to such uncertainty.

—Jean-Jacques Servan Schreiber



Wide World

Rev. Martin Niemöller

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Why You Should Borrow All You Can

Many years ago a businessman told me that I should go to a bank and borrow some money.

"But I don't need money right now," I said.

"Borrow it anyway."

"Why? Why pay interest on money I don't need?"

"That's the only way to establish a line of credit," he told me. "Make a small loan. Repay it the day it's due. Wait a few months, then borrow a slightly larger sum. Repay it on schedule. By doing that you work up to a point where you can get real money if you need it to swing a deal."

"That sounds absurd to me," I replied. "Why, I'd simply be building up to a point where I might borrow more money than I could pay back."

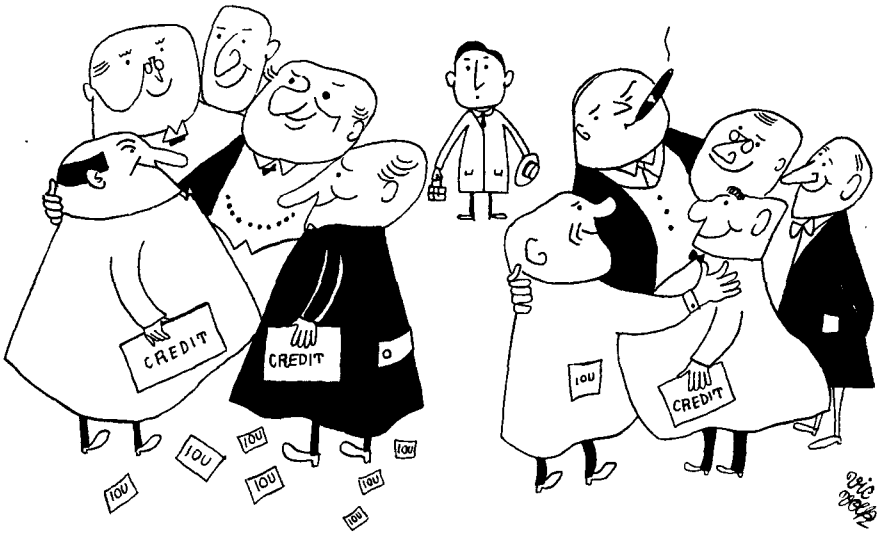
"That's not the idea," he said. "You will need a line of credit some day—everybody does. That's the only way to establish one."

I told him I didn't want to borrow money, and went serenely on my way, paying cash for all the goods and services I received.

Down through the years I occasionally encountered that same idea: Borrow money when you don't need it so you can borrow still more if you do need it. The late Congressman Sol Bloom, in his autobiography, frankly explained how he put the theory into practice. When he was little more than a boy, he began borrowing money in increasing sums, until the day came when he negotiated a loan for many thousands of dollars to back a business venture.

It was difficult for me to believe that bankers in general considered such practices sound.

I have had various individuals try to work that system on me—pyramiding loans until they worked up to the big touch. Someone would borrow five, then return it promptly. A bit later he would borrow ten, then twenty. Fortunately I could always feel the inevitable bite for a hundred coming.



Speculators, promoters, and others setting out to build an ever-expanding line of credit at a bank were operating on somewhat the same basis, I reasoned. And I couldn't believe that bankers preferred to make loans to such habitual borrowers. The best risk, I told myself, was the man who owed nothing, not the man who was always in debt.

Well, I recently had occasion to test my theories against cold realities.

Three years ago I moved to a new town. I opened a checking account at a local bank. I presented a letter from the banker in my former home town. The letter merely said the bank had had pleasant dealings with me, making no mention of credit, since I hadn't borrowed any money.

In the new city I went on in my customary way—paying cash for everything.

Then came a day when I got caught in a tight squeeze. Some money that was due me had not arrived. I needed a moderate amount of cash for thirty days. Armed with letters that clearly listed what was owed me, I went to my banker. Since the loan I wanted was only one-third the amount due me from a publishing house and a national magazine, and was less than ten per cent of my average annual income, I took it for granted that the loan would be routine.

The fun started when the banker asked me about a line of credit.

"I pay cash for everything," I told him.

"You haven't bought anything on credit since you've been here?" he asked.

"Nothing."

"You haven't borrowed any money from banks in recent years?"

"None."

"Hmmm . . ." he muttered.

"Is that bad," I asked, "not borrowing money?"

"It's the matter of a line of credit," he said.

"Well," I explained, spreading the letters and other odds and ends on his desk, "I've got three times the amount of the loan coming to me, probably

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within a week. Then a new novel of mine is to be published in three months, and—"

"I'm not worried about that," he interrupted.

"Fine," I said, figuring our business was as good as transacted.

"You fill out this loan application," he told me, "and I'll have it checked on. Then I'll see you the day after tomorrow."

"Can't you let me know what to expect?" I asked. "I want the money immediately. I can call a friend and get it, but—"

"Oh, I'm pretty sure we can make it," he said.

I thanked him, with a feeling that the deed was done. I had trouble filling out the application blank. Obviously I was supposed to put down the names of people from whom I had bought things on credit or borrowed money. I put down the names of a couple of old friends to whom I owed small sums, and made a note to the effect that the banker could call them, at my expense, for a reference.

But when it came to other references I was in a bad way. The people I know are writers, newspapermen, painters, professors—obviously not the type whose recommendation would carry much weight with a banker. Furthermore, I had never borrowed money from them.

I did my best with the form; then a couple of days later I went down to get my loan.

The conversation between the banker and myself shed a lot of light on a phase of our economic life that affects countless millions of Americans.

That banker sincerely wanted to make the loan. I am positive of that. He wasn't trying to give me a brush-off. I can spot one a half block away.

But we were both up against a stone wall—I had no line of credit.

"You make unsecured loans of that size, don't you?" I asked.

"Quite often," he said. "They're routine."

"What kind of people do you make them to?"

"People with a line of credit."

"You mean those who have borrowed such amounts and repaid them?"

"Yes."

"All right, let's look at it this way. My canceled checks show that I have paid two thousand dollars to doctors, hospitals, nurses, and drugstores in the past two years. Now if I had 'budgeted' those obligations—if I had arranged to pay them at so much a month over a period of years—then would I have established a line of credit?"

"You would have," he admitted.

"But because I paid them the day they were due, and didn't keep those people waiting for their money, then I'm not a good risk?"

"It's not that way," he protested.

"Then how is it?"

"We must have a credit rating on a customer to make a loan . . ."

"I'm giving you a credit rating," I interrupted. "No credit rating should be better than a record of prompt payment—I pay what I owe when it's due. Does that make me a poorer risk than the man who waits and pays a little at a time?"

"It's not the same thing," he said again.

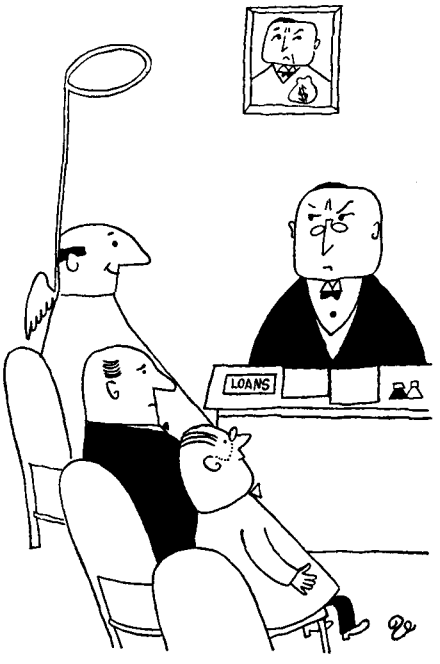
I couldn't see the difference. He could. Evidently there are rules that a banker must follow.

He then switched to another black mark on my record. I own no real property.

"But you make unsecured loans to other people who have no real property, don't you?" I asked.

"Yes, we do. But they have a credit rating."

"I have life insurance. How's that for credit?"



"But it's made out to your wife."

"She'll sign the note."

"That won't do."

"Then I'll have the life insurance made out to myself."

The banker didn't think that was funny. Now that I reflect on it, I'm inclined to agree with him.

Then a happy thought came to me. "I want to start operating on a business-like basis," I said. "I want to borrow the money to establish a line of credit."

The banker smiled, but it was a weak smile.

"Could I borrow fifty dollars?" I asked, shifting to a new tack.

"Of course, of course."

"How about a hundred?"

"Certainly."

"Two hundred?"

"Well, I guess we could go that far."

"How do you draw the line?" I asked. "If I'm good for two hundred, then obviously, on the basis of those letters and my average income and other such things, I ought to be good for the additional amount I want."

"I'm sorry," he said. "If you had a line of credit . . ."

I was rapidly getting weary of that "line of credit" business. So I said, "All right, how about this? Before I came here I was editor of a newspaper. Suppose you call the publisher—I'll pay for the call. And you can call the president of the bank in the same town."

"Did you ever borrow any money from either of them?"

"No. All my life I've always paid everything . . ."

"It's the line of credit," he said sadly. "You have no line of credit."

I thanked him and left.

I finally borrowed the money from a friend. A few days later the expected checks arrived and I repaid the loan. In the meantime I had been puzzling over my dealings with the banker, still unwilling to believe that what he told me constituted general banking procedure. To convince myself I went to another banker, presenting to him a purely hypothetical case.

He assured me that he would have taken the same position as the first banker.

I continued to puzzle over the situation, not because of my personal affairs, which happily are in order, but because of the fact that there must be millions

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and millions of Americans in the same position—people who pay cash, and who apparently must, in an emergency, pay a strange and unreasonable penalty just because they do pay cash.

I began thinking of a gag I had read in a newspaper: One man asked another, "Do you manage to live within your income?" and the other answered, "Heavens, no! It's all I can do to live within my credit."

If a man pays what he owes two months after it is due, he establishes a line of credit. If he pays when the money is due, he is not a good risk for a loan.

The only thing for him to do, then, is to open a number of accounts, buy things he doesn't need, borrow money he doesn't need—and begin living on credit.

Is this the system we want in our nation? I asked myself.

As things stand now, the man who pays cash can get loans only from the loan sharks. Loan sharks thrive not just because of their methods of operation but because they are extremely shrewd judges of humanity. They know that people who pay cash will go to almost any length to pay off any obligations they are forced to incur. They know that a man with a long record of paying cash for everything has learned to dislike debt, and when he is forced to go into debt he will struggle valiantly to pay.

Being in debt can become a habit—and one that should not be encouraged. It can become a way of life for an entire nation, and expand until the time comes when we owe each other so much that nobody can pay. Then the nation's line of credit sags. That happened in 1929.

On the other hand, staying out of debt can become a habit—and one that ought to be encouraged. The only way to encourage it is to assure our people that prompt payment of all obligations —payment in cash—is the surest and soundest way to establish a line of credit.

We all know that at some time in our lives we may be forced to borrow money. And if we must prepare for that day by deliberately going into debt from time to time, in order to convince our bankers that we will pay, then we are moving in strange ways.

—Hart Stilwell

Working Press: The Man from Tass

During one of Vishinsky's recent speeches to the U.N. General Assembly, I happened to be sitting in the press section beside a representative of Tass, the Soviet news agency. He was a good-looking man of thirty or less, dressed in the standard dark-blue suit —badly cut and overpadded in the shoulders—which seems to be the uniform of all Russians at the United Nations. I had noticed him before at Lake Success and Flushing Meadow, and although we exchanged no greeting when he sat down, we glanced at each other the way strangers who work in different departments of the same large office do when they see each other in the elevator. The Russian reporters at the U.N. always hold themselves apart from the easygoing familiarity which exists among all the other correspondents, regardless of nationality. Whenever the Russian reporters display a willingness to stop and chat in the corridors, the others predict a new "peace offensive" by the Soviet diplomats in the meeting rooms.

The Russian reporter sitting next to me listened to the end of a speech by Dean Acheson without putting on earphones to get a translation, but when Vishinsky began to speak he put on his earphones, just as most of us did. During Vishinsky's extemporaneous rebuttal to Acheson's speech, I looked around at some of the other reporters. Francis Carpenter of the Associated Press, chewing gum energetically, was writing rapidly, and every word he wrote was immediately transmitted by a telegrapher who sat beside him. Down in the first row, James Reston of the New York *Times* was leaning forward over the railing with all the inscrutable intensity of the high-level news evaluator. A huddle of men and women from Agence Française de Presse were whispering together conspiratorially in one of the back rows. Michael Fry of Reuters got up suddenly and strode purposefully toward an exit. A man from one of the Chicago papers held up a Western Union press blank and looked around impatiently for a boy to pick it up.

My Russian neighbor had taken out his notebook and pencil, and I looked over to see what he was writing. He was drawing a series of identical perpendicular parallel lines across the top of his page. From time to time he would look up blankly at his compatriot on the platform. Vishinsky's proposal for a reduction of armaments left him unmoved; he pulled moodily at the flesh on his neck and studied the regular design on the page before him. When Vishinsky spoke of outlawing the atomic bomb, the reporter changed his tactics and drew a series of *horizontal* lines down from the original series. He became aware of my attention and abruptly wrote a few words in Russian.

At the finale of Vishinsky's speech, the young reporter did not join in the applause which Vishinsky's friends on the floor and in the visitors' section provided. Most of the other reporters rushed off to file their stories or to nab a usually reliable source in the Delegates' Lounge for an inside tip. The Russian reporter strolled listlessly back toward his office.

I saw him again later that day, while I was waiting for a friend outside the Press Bar. All alone, with his hands deep in his pockets, the young Russian was walking idly up and down the corridor in front of his office. He stared, as I thought, hungrily at a girl reporter from Pakistan as she ran past him after a Canadian correspondent who had promised her a ride home.

—Robert K. Bingham

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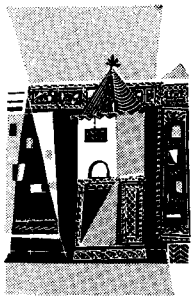
Front and Center:

Afterthoughts on 'Sunset Boulevard'



Sunset Boulevard has set off more huzzahs and intimations of immortality than any movie since, I suppose, *The Best Years of Our Lives.* I went to see it with the greatest reverence—not only because the beat of the critics' tom-toms had got into my blood, but because I yield to no one in my admiration for the work of Charles Brackett and Billy Wilder, who deserve the gratitude of every American over fourteen for *Ninotchka, Double Indemnity,* and *The Lost Weekend.*

Sunset Boulevard is a study of neurotic decay in a moral vacuum. An aging, embittered glamour queen of the silent films (Gloria Swanson) lives in a Veblenesque mansion in Hollywood, surrounded by pictures of herself and driven by a mania to be a star again. She is attended by a solitary factotum (Erich von Stroheim) who was once her director and is now her slave. Into this fetid and loony household stumbles a hack writer (William Holden), who gets mistaken for an undertaker come to bury the movie star's pet chimpanzee. The writer, a heel in search of a meal ticket, pretends to find virtue in a script the millionairess has written, and enters her ambiguous employ. When, on New Year's Eve, he does not return her somewhat batrachian advances, she tries to kill herself by slashing her wrists; he shows his pity by becoming her paramour, reluctant and faintly repelled.

The liaison between these two people is not exactly enchanting, suggesting as it does the devotion of a cobra for a crab. Since the lady is old enough to be the lad's mother, and is shown in a number of the unappetizing contrivances which the unfair sex uses to resist age, a certain morbid and libidinous miasma issues from the silver screen. At the three-quarter mark, the butler suddenly reveals that he was the *femme fatale's* first husband. (This shocker gets a big audience response, but the story pays a permanent price for a temporary hypodermic—for the point is both pointless and unnecessary. It neither alters nor advances the story, and makes the butler's compliance in the affair between his ex-wife and the gigolo inescapably obscene.) By the time the actress pumps several bullets into the back of her kept man (who falls into a conveniently located swimming pool) and goes mad before the newsreel cameras, one may be forgiven for feeling vaguely unhappy about how one has spent almost two hours out of a limited supply of mortality.

Sunset Boulevard is undoubtedly daring, direct, and as uncompromising as its creators could make it. It represents laudable victories over Hollywood taboos. Courage and candor tend to make a picture "adult"; they do not, alas, necessarily endow it with either insight or meaning. The trouble with this smoothly finished, darkly lighted, and strangely empty film is that it focuses our attention—fixedly and unyieldingly—on people about whom it is impossible to feel deeply or care a damn. Its heroine is spoiled, shallow, and a screwball; she becomes not tragic but tiresome. Its hero is too plastic to permit us even the luxury of healthy contempt. The entire *ménage à trois* is bounded by such incredibly small and arrogant egotisms that the people might just as well be insects.

Gloria Swanson has received all sorts of praise for her performance. I thought her brilliant and often moving. My only quarrel with her (and, really, with the talented Mr. Wilder) is that the portrait of the actress is preposterously overdrawn. The exaggerated felinity of eyes, the clawing hands and talon-fingernails, were intended, I suppose, to suggest the predatory and the fatal; it all struck me as transparent and rather absurd. I can't for the life of me understand why Miss Swanson's voice was tricked up to sound like a vacant muff in a wind tunnel, nor why she was permitted to make a telephone call in the manner of Salome ordering another portion of John the Baptist. No doubt some premonitory symbolism was intended, but I'm afraid that all the Medusa poses reminded me of the Grand Guignol, with Miss Swanson bearing an alarming resemblance to the lady immortalized by Charles Addams.

The film is narrated by the voice of a dead man, if you're still listening. One could accept that conceit were it not executed with such labored counterpoint, often going so far as to put into words what is clearly visible to the naked eye.

Mr. Holden gives an expert and subtle rendition of a part which must have been singularly difficult. Mr. von Stroheim I have always admired as something of an elemental force; he still dominates his scenes by sheer voltage. The score by Franz Waxman I thought stunning.

Paris Waltz

Paris Waltz, a French musical with the indestructible Yvonne Printemps and Pierre Fresnay, one of the subtlest actors of our day, may or may not be based on an actual romantic episode in the life of the composer Offenbach, but it is witty, captivating, and Gallic as all hell. It is about a beautiful songstress, irresistible to men, who is putty in the hands of her own id. The music is lovely, the dialogue bright; and the tongue-in-cheek treatment of quite immoral conduct in Gay Paree should delight anyone who doesn't think sex and sin synonymous. —Leo Rosten

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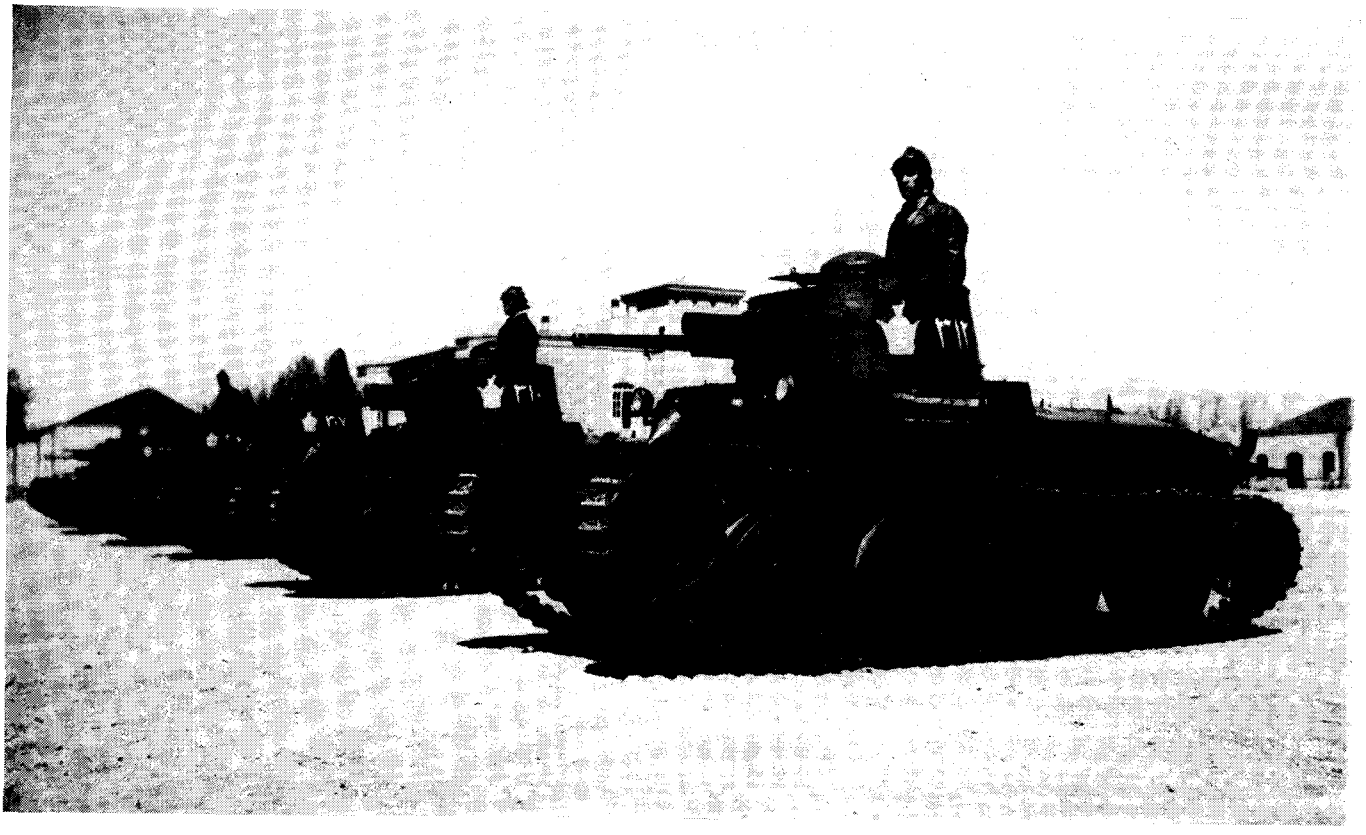
Military museum: 105-mm rifles are the Iranian Army's heaviest artillery pieces . .

. . . and its Skoda tanks are hardly more than well-preserved antiques



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Wonderful way to feel!

You certainly can be on top of the world!

Why not? Your car is paid for and your house is halfway there. You're making pretty good money . . . the kids are healthy and happy . . . and your wife just bought a new outfit—shoes to chapeau!

You don't owe anybody a red cent. Not only that—you've got a little money salted away for the kids' education and your own retirement.

Wonderful way to feel, isn't it?

If this description doesn't fit you—*make it!* You can. Here's how:

Start saving right now! Just as much as you possibly can—*and regularly.*

One of the best ways . . . one of the safest, surest ways . . . is to buy U. S. Savings Bonds through the Automatic Payroll Savings Plan where you work. Or, arrange to purchase Bonds regularly at your post office or bank.

U. S. Savings Bonds will bring you, in ten years, $4 for every $3. And you can count on that!

Start your plan today. It's the very wisest way to save!

Automatic Saving is Sure Saving — U.S. Savings Bonds

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